



**National University Rail Center - NURail**  
US DOT OST-R Tier 1 University Transportation Center

NURail Project ID: NURail2017-UIC-R17

**The History of the City of Chicago Central Area Transit Circulation Efforts**

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04/02/2018

Grant Number: DTRT13-G-UTC52 (Grant 2)

## **DISCLAIMER**

Funding for this research was provided by the NURail Center, University of Illinois at Urbana - Champaign under Grant No. DTRT13-G-UTC52 of the U.S. Department of Transportation, Office of the Assistant Secretary for Research & Technology (OST-R), University Transportation Centers Program. The contents of this report reflect the views of the authors, who are responsible for the facts and the accuracy of the information presented herein. This document is disseminated under the sponsorship of the U.S. Department of Transportation's University Transportation Centers Program, in the interest of information exchange. The U.S. Government assumes no liability for the contents or use thereof.



## **TECHNICAL SUMMARY**

### **Title**

The History of the City of Chicago Central Area Transit Circulation Efforts

### **Introduction**

This paper chronicles the evolution of the City of Chicago's efforts, through private and public means, to address the distribution and circulation of people in the city's Central Area. It covers the evolution of public transit in the Central Area and the specific efforts in the second half of 20th Century to create a circulation and distribution system.

### **Approach and Methodology**

In the first part of the paper, the authors address the rise in public transit in the late 19th Century to meet the demands of Chicago's surging population, the evolution of rail technology, the consideration of subways and challenges for development of elevated and surface lines, public and private sector involvement, the establishment of the Chicago Transit Authority and other topics.

The second part of the paper chronicles the formation of the Chicago Central Area Committee, an organization of business and civic leaders, and public sector plans for Central Area transportation during a 30-year period starting in 1958.

The paper concludes with the history of the Chicago Circulator Project, a plan to establish on-street light rail technology service in the Central Area. Plans initially took shape in 1989; the project was halted in 1995.

### **Findings**

The report details the significant research undertaken to identify specific corridors that could benefit from the new rail service, which would incorporate on-street light rail technology (LRT), a user-friendly, electrified system with track embedded in existing street lanes. The public-partnership behind the Circulator Project initially created sound financial and operational plans that pooled federal funding, state grants and local tax revenues.



and surrounding areas, may have been built if the expansive new project had been initiated with service along one specific corridor, rather than four separate lines as originally planned. Plans initially took shape in 1989; the project was halted in 1995.

### **Recommendations**

In its conclusion, the report praises Chicago's Loop Link bus rapid transit service as perhaps the catalyst for bold, new transportation planning: "Hopefully the experience of the Loop Link will help to generate once again a comprehensive Central Area transportation plan that heeds the lessons from past failures, incorporates adjustments for the impact of new transportation services – ride hailing, protected bike lanes and Divvy bike sharing — and leads to a well-balanced and effective transportation system the Central Area needs to maximize its current and future population and economic growth."

### **Publications**

None to report.

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# THE HISTORY OF THE CITY OF CHICAGO CENTRAL AREA TRANSIT CIRCULATION EFFORTS

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2018

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This paper chronicles the evolution of the City of Chicago's efforts, through private and public means, to address the distribution and circulation of people in the city's Central Area. It covers the evolution of public transit in the Central Area and the specific efforts in the second half of 20<sup>th</sup> Century to create a circulation and distribution system. The paper is divided into three parts. Part 1 summarizes the evolution of public transit from the middle of the 19<sup>th</sup> Century to the creation of the Chicago Transit Authority (CTA). Part 2 covers failed efforts to improve transit circulation by reconfiguring the CTA's Central Area rail system from the 1950s to the 1970s. Part 3 covers the last major initiative to upgrade Central Area circulation, the ill-fated Chicago Central Area Circulator Project in the late 1980s and early 1990s. It concludes that a new comprehensive transportation plan and related improvements are needed to best serve the continued growth of the Central Area.

## **Part 1 The Rise of Transit - Mid-19<sup>th</sup> Century to Mid-20<sup>th</sup> Century**

### Chicago's Surging Population

Starting with 350 people living in the Village of Chicago in 1833, Chicago reached a population of one and a half million only 60 years later in 1901. By this time, Chicago had become a dominant center of business and industry and gained the reputation of being "the railroad capital of America." (Cudahy, 1982, p. 6) Enabled by a growing rail transit system, the continually expanding population found escape from the compact and congested city center. What was once a grid of streets and avenues extending about eight blocks east-to-west and ten blocks north-to-south, the city eventually grew to a 220-square mile extent, within a metropolitan area of 465 square miles. (Cudahy, 1982, p. 7) Parallel to this physical swelling was the concern for convenient transportation between residential areas and jobs in commercial districts.

### Chicago Transit Birth: Central Area Omnibus Transfer Service

Chicago's mass transportation system within the central area "evolved not from a demand to move commuters but to enable intercity long-distance railroad passengers to transfer between stations." (Young, 1998, p. 34) Starting in the 1850s, the increasing impracticality of walking and renting a horse for travel between the four new railroad depots built around the fringe of the city created an instant market. Having to travel up to three miles across the city to change trains or travel to local hotels and businesses involved trudging through the muddy streets or paying \$3.00 per day to rent a one-horse carriage. Five cents per trip horse-drawn omnibus service became an attractive alternative. (Young, 1998, pp. 35, 36) Because up-front capital was not excessive, the omnibus business was largely profitable,

competitive, and entrepreneurial. Franklin Parmelee created Chicago's first horse-drawn omnibus "transfer line" in 1853. In quick succession, John Frink began hourly omnibus service between the Lakehouse Hotel at Rush, and North Water Streets and the Michigan Southern Railway station at 16<sup>th</sup> Street followed by other omnibus business rivals. (Young, 1998, p. 35) "By 1854, a few years after the omnibus appeared in Chicago, 18 carriers provided 408 daily service trips on eight routes totaling 22 miles in length" within the central core. (Pierce, 1976, pp. 323-24) Being mostly unregulated and a cutthroat business, Parmelee eventually bought out many of the omnibus services of several hotels. Parmelee set a trend of acquiring companies by exchange or concession would become a pattern for developing Chicago's future mass transportation system.

### Transit Rail Leads to First Public Policy Interventions

The poor conditions of Chicago's muddy streets during inclement weather eventually took a toll on the most popular omnibus services. Learning from successful attempts of integrating the use of rail with omnibus service in New York and New Orleans, Chicagoans petitioned the city for permission to build their first horse-drawn railway in 1854. (Young, 1998, p. 36) (Weber, 1971, pp. 354-39) A general city council ordinance was approved in 1855 authorizing street railway franchising for a tenure of 25 years. Within the ordinance were conditions allowing an option for the city to buy out the system after that time, limiting the maximum fare to five cents, and a requirement to plank or pave the streets on which they operate – a utility the city could not afford in its municipal budget. (Pierce, 1976, pp. 324-25) Afterwards, the ordinance was repealed because requirements were too burdensome for prospective street railway operators. However, street planking requirements were eliminated only to be replaced by another mandate. Chicago's 1872 city charter required for the consent of property owners whose holdings fronted proposed transit lines, streetcar or elevated. These onerous city requirements "set an unfortunate precedent that plagued transit systems and led to corruption for the rest of the century." (Young, 1998, p. 36)

### Private Rail Monopolies Instigated Post the Great Chicago Fire

By the 1870s, Chicago was growing faster than any city in the world. As the city physically expanded, the privately-run and publicly regulated intracity mass transportation system evolved from single-horse carriages to omnibus transfer services, to horse-drawn rail car lines, to a surface line cable car network. Major railroad companies took advantage of a rising commuter market alongside the strategic development of local transit lines. "Not only did the railroads develop their own commuter services and provide the model for the emerging street railway companies, but some local transit companies were also effectively spinoffs of

railroads.” (Young, 1998, p. 30) While the city’s 1855 franchise ordinance averted a monopoly and was upheld by the state legislature, by 1863, three corporations dominated Chicago’s streetway for the remainder of the century: City Railway serving the south side, West Division operating on the city’s west side, and North Chicago controlling the north side. (Young, 1998, p. 37) Despite the temporary displacement of many downtown businesses and residents, the Great Chicago Fire of 1871 “not only rekindled the city’s entrepreneurial spirit but also simultaneously resulted in both a substantial increase in density of warehouses, stores and offices in the central business district and the decentralization of manufacturing industries, which could not afford the real estate there.” Between 1871 and 1880, the regional railroad lines’ increase in ridership fed downtown accessibility demand through the opening of three stations around the periphery of the Central Area, including the Michigan Central & Rock Island Depot to the south, Chicago & North Western Railway Depot to the north, and the Original Union Station directly west. (Cudahy, 1982, p. 5)

Just like the railroads, new street railways were forced early on to adopt incorporated joint-stock companies to finance the required up-front investment of \$1,000 or more per mile to lay down tracks. (Young, 1998, p. 30) Little competition emerged since the three geographic monopolies were large enough and profitable enough after the Civil War to buy out potential competitors, to bribe politicians, and pay off political shakedown of blackmailing shell companies. They could pay substantial dividends to shareholders that eventually financed the expensive conversion to cable cars in the 1880s. All the while, public dissatisfaction grew in the 1870s due to poor service, overcrowding, and refusal to accommodate free transfer service between the systems through the core of the central downtown area. (Young, 1998, p. 38)

### Rail Technology Evolution and Competition

“By 1880 mass transit in industrial Chicago became a public convenience and necessity, although technologically it had not yet emerged from the horse and buggy era.” (Young, 1998, p. 38) However, competition between new and rapidly growing American cities would soon change Chicago’s transit system from organized chaos to an innovative, systematic technology. Although, the rebuilding of the downtown after the Great Chicago Fire of 1871 left Chicago slightly behind the curve of other American cities. Using cable technology, New York opened the first elevated railway in the country in 1867. It would take to 1892 for Chicago to go elevated. Not until 1882 did Chicago inaugurate the first cable car line at ground level on State Street. The first successful electrically propelled streetcar service opened in Richmond, Virginia only six years later. Chicago did not electrify streetcars until 1893. (Young, 1998, p. 22) (Cudahy, 1982, p. 5)

Charles Tyson Yerkes, one of the most influential developers of Chicago’s 19th century transit system, took advantage of these brewing technical controversies through a strategic take-over and consolidation of the mass transit system. Like many captains of American industry at the time, Yerkes was a businessman who was good at acquiring and assembling groups of independent companies with similar interests, at minimum risk to his investors. Though some might consider his tactics unethical and unsustainable, he caused change during a time when regulation over mass transit was primarily maintained by the state—which meant that “in times of rapid change, the law trailed technology and the evolving economic system by many years.” (Young, 1998, pp. 46-47) Yerkes’ financing schemes enabled his taking control of the North Chicago and West Division horse-drawn transit systems and proceeding to quickly modernize by converting many of them to more economical cable operations.

Yerkes began to attack the growing problem of downtown congestion within the North Chicago system. As three horsecar lines had to cross the bridges over the Chicago River into downtown, bridge closures for passing ships would cause many back-ups and delays. Since

building a downtown subway was not financially feasible at the time, Yerkes negotiated access to the little-used LaSalle Street vehicle tunnel under the river. When the tunnel was completed in 1871 for pedestrian and wagon traffic, the access ramp was too steep for many horse-drawn wagons and horsecars and was an undesirable route for pedestrians. By negotiating the conversion for use by cable cars, Yerkes used his savvy business sense to beat out the alternative development of electric traction. It was so successful, Yerkes also converted the Washington Street tunnel to cable operations as well. Eventually, electric traction proved more efficient and economical than the cable system in the 1890s, and the city allowed overhead wires in the downtown area. Yerkes ultimately electrified all the tunnels (Young, 1998, p. 51).

### The Elevated Rail Push

While over 70 companies were created in an attempt to start an elevated rail system between 1872 and 1900, this transit conversion did not take hold until media attention, and municipal support would necessitate it. (Cudahy, 1982, p. 5) (Chicago-L.org, 2015, p. The Original "L" Companies) In 1890, Chicago was given the opportunity to boost its distinction as one of the nation's largest cities when it beat out New York, Washington and St. Louis for the honor of hosting the World's Columbian Exposition in 1893. This enormous social and cultural event provided an opportunity to generate profits, boost real estate values, and promote the city. It also had a profound effect on accelerating architectural, industrial and transportation-oriented innovations. Just in time for the fair to open to the public in 1893, the South Side "L" (elevated rail) started service from a terminal on the south side of the Loop to 39<sup>th</sup> Street. (It was soon extended to Jackson Park, where the fair was held, to accommodate the attendees and connect with elevated lines within the fairgrounds.) Though the initial route was only 3.6 miles long, the public was happily impressed by the engineering sophistication of the elevated steam locomotives and the ability to travel the route in half the time of the cable cars on State Street or Wabash Avenue. (Cudahy, 1982, p. 12) A reporter for the *Chicago Tribune* "noted one of the L's most distinguishing features, its usefulness to all citizens of the city, by observing the variation of the passengers, from members of 'the lunch pail crowd' to passengers 'resembling gentlemen.'" (Chicago-L.org, 2015, The Original "L" Companies) The building of a sophisticated and efficient, intra-city, rapid transit system serving Chicago's Central Business District was underway.

### Development of the Union Loop

"Always existing to serve the people, the 'L' has been expanded and reduced, changed and reformed per the intra-city migration habits of the people of the Chicago metro area." (Chicago-L.org, 2015, p. Introduction) One of the major factors of economic growth of the

Central Area in the early 20<sup>th</sup> century was its accommodation to an increasingly mobile and expanding population. Although, despite its seeming success, the elevated line companies still had a hard time overcoming initial debt and turning a profit after ridership stabilized. In part blaming the five-cent fare cap, high cost of construction, and the Adam's law<sup>1</sup>, Yerkes, owner of the Northwestern Elevated Railroad and Lake Street L, "concluded that the financial problems of the new elevated railways resulted from their failure to get access to downtown Chicago, where their street railway competitors had a monopoly on service." (Young, 1998, p. 59) (Cudahy, 1982, p. 18)

In the 1890s, the existing elevated lines dropped off their passengers at the edge of the Loop and the streetcar services took them into and around the business district. Even more, the streetcar companies began to electrify their older horse drawn and cable cars in 1893, giving them more speed. This created a competitive barrier preventing the elevated lines from creeping into the central area. (Cudahy, 1982, p. 18) Although it is not precisely known how the idea of an elevated transit loop around the business district came to be, it is most accepted and plausible origin comes from a time when the cable cars dominated the central area. Five street level loops, only a couple blocks long, were a functionality the cable cars needed to turn around at the termination of their route. Acquiring its nickname in the 1880s as an homage to the circular operation of these cable car routings, "the Loop" transit network successfully served the interior circulation needs of the defined downtown area of the time. (Cudahy, 1982, p. 40) (People of the State of Illinois vs. Chicago Transit Authority, 1945, p. 5)

While street level of downtown transit loops were well established in the 1890s, proposals for an elevated loop connecting separate elevated lines were hard to accomplish. For one, the combination of the Adams law and collective opposition of homeowners along the street to elevated structures was backed by the press and reform groups like the West Chicago Protective League. Yet, Yerkes initial ownership of two elevated lines gave him a head start in dealing and politicking his way into connecting to the other existing lines through a "loop" elevated structure. To overcome the greatest opposition to construct the loop's southernmost and final leg, Yerkes used a familiar streetcar company tactic. He franchised for yet another elevated line extending further from the original loop leg. While the extension would never be built, he obtained a sufficient amount support from property owners abutting the "imaginary" line to construct the missing piece of the loop instead. (Cudahy, 1982, pp. 20-21)

Since the first Chicago horse-drawn street railway network was organized for operation in 1859, there were 18 unique companies maneuvering their own tracks through the central area. (People of the State of Illinois vs. Chicago Transit Authority, 1945, p. 5) While the central area had remained prosperous during that time, it was the opening of the Yerkes' Union Loop

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<sup>1</sup> The state's property-owner consent law only applicable to elevated companies.

in the fall of 1897 that had a significant impact on the city's downtown business district. At its peak in the 1920s, the Union Loop served to circulate or distribute in the business district as many as 200,000 passengers each weekday. (Young, 1998, p. 61) In addition to improving downtown passenger distribution, the rectangle bounded on Lake, Wabash, Van Buren and Fifth/Wells streets led to the development of many office buildings, department stores, public agencies, and railroad terminals within its boundary. "Thus, the City of Chicago has since had one of the most concentrated downtown business districts of any American city. Likely it always will." (Cudahy, 1982, p. 38) *Chicago Daily Tribune* transportation guru Thomas Buck contributes the Loop's historic physicality to the success of the downtown and its economic growth. "With the Loop serving as a boundary, many of the downtown buildings have been built close together, all within walking distance of each other. In fact, this compactness often has been cited by civic promoters in inducing corporations to locate here." (Buck, 1968)

Cost to construct the Union Loop about \$600,000. Yerkes was able to obtain a guarantee \$62,500 from each line using the Loop. It was the belief of that the operating lines would increase in patronage, which would even out the cost. (Cudahy, 1982, p. 28) Although, "train traffic on the structure became so heavy that a 1908 study, commissioned by the Loop Protective Association, estimated that rush hour trains were delayed an aggregate of fifteen minutes per trip." (Young, 1998, p. 61) Below the structure, the Loop unintentionally restricted most of Chicago's street-level activity, contributing to congestion and collective chaos. (Cudahy, 1982, p. 7) (Chicago-L.org, 2015, p. Introduction) On top of being characterized as a noisy eyesore, its poorly placed support columns in the middle of roadways were an impediment to street and pedestrian traffic. One downtown retailer declared: "I have given up going to the North Western depot by carriage. I find that there is only one way practical – to walk." (Cudahy, 1982, p. 32) This complaint can be heard to this day of commuters trying to catch the Chicago & North Western (now Union Pacific) trains if you substitute "bus" or "taxi" for horse-drawn carriage or omnibus. (Cudahy, 1982, p. 41)

### Consideration of Subways

It was congestion and scheduling inadequacies that plagued the Union Loop's effectiveness, yet no one at the time would consider using public funds to help alleviate the problem. Unlike Boston and New York, Chicagoans sanctioned privately run public transit, until it was apparent that the private investors in mass transit were reluctant to continue funding an increasingly expensive venture. Before the 1900s, exemplified by the Union Loop, mass transportation development acquired a reputation for poor fiscal performance due to substantial capital investment, strangling regulation, and shady financial practices. These characteristics deterred private enterprises from forming more innovative public transportation franchises that would alleviate central area congestion pressures caused by the Loop. (Young,

1998, p. 62) It wasn't until 1902, when engineer Bion J. Arnold presented a grand report to the Committee on Local Transportation of the City of Chicago, strongly recommending the public construction of a downtown subway system. (Cudahy, 1982, p. 46) According to a 1909 Chicago Daily Tribune article, the report provided a "critical analysis of present conditions in the city and probable growth of its population and needs during the next half century, set forth both the desirability and feasibility of an immediate beginning of underground construction both for transportation and the accommodation of all other branches of public utility...the suggestion is made that the aim of the city be to reduce surface congestion in the central district rather than to afford rapid transit to distant parts of the city." (Unknown A., 1909) The article states that the report anticipates the present population to increase from 2,200,000 to 5,000,000 or 6,000,000 assuming a similar growth pattern as New York and referencing the United State Census. Logically, the report cites a goal of maximum traffic capacity through an efficient design and not creating an entirely new system, but "be parts of a comprehensive system to be built as the growth of the city demands" – a "trial subway". (Unknown A., 1909)

### Financial Challenges for the Surface and Elevated Lines

Chicago's elevated (L) and surface lines competed against each other throughout the late 19th and early 20th centuries. "Quantitatively, the surface lines transported considerably more passengers than the elevated. In 1906, for instance, the [elevated system] carried 132 million passengers, while the surface lines carried 402 million. In 1916, the ratio was 181 million passengers on the elevated lines to 686 million on the streetcars." (Cudahy, 1982, p. 47) Because of this, the more successful, streetcar lines were initially uninterested in cooperative use of the Loop elevated. Even so both systems were financially struggling.

Samuel Insull, the head of the Chicago Edison Company, set out to unify the Chicago L system. Offering loan guarantees through his company to provide relief to the financially failing rail lines, he was eventually able to acquire Chicago's struggling L companies after their inability to make loan payments. Ignored by the quietly struggling surface lines, Insull followed through with his own unification plan of the four elevated companies and formed the Chicago Elevated Railways Collateral Trust in 1913 (Chicago-L.org, 2015, p. Unification). This unification allowed the establishment of a "through-routing" system within the Union Loop – the first-time riders could transfer without additional cost between the elevated trains in the downtown area. (Cudahy, 1982, pp. 49-50) In effect, the L's popular "universal transfer system" successfully relocated surface line riders to use the elevated for cross-town trips, a purposeful shift in competitive posture after the surface lines backed out of an inclusive unification plan. Despite nearly doubling ridership between 1906 and 1926, the elevated rail system never captured more than one-quarter of the mass-transit market. "The yield from hauling masses of

passengers twice per day on relatively short trips in a market diluted by competition simply did not generate the necessary money to operate the system” (Young, 1998, p. 85)

The Traction Ordinance of 1914 consolidated multiple streetcar lines using foreclosure sales, leases, consolidations and otherwise. They were formed into four companies and mandated to operate as a unit. They were being operated by court-appointed receivers through an agency known as the Chicago Surface Lines board of operations. (People of the State of Illinois vs. Chicago Transit Authority, 1945, pp. 5-6) "These streetcar lines comprise more than 1,000 miles of single track and 4,000 street cars. During the fiscal year ending January 31, 1930, they carried almost 900,000,000 revenue passengers in the city. The number of rides furnished daily was 4,500,000...[They] carried more than seventy-seven percent of the total number of passengers carried by all the local transportation companies in the city." (People of the State of Illinois vs. Chicago Transit Authority, 1945, pp. 5-6) The operational consolidation made possible improvements in the system, including broader transfer privileges and money-saving tactics like jointly buying equipment. However, the relative health of the south side line superficially masked the inherited, heavy debt service load of the north and west side lines that comprised about 60% of the system (Young, 1998, pp. 78-79).

### Various Roles of the Public Sector

Because of multiple court rulings over the constitutional validity of city franchising, the Traction Settlement Ordinance of 1914 included a compromise that favored the public sector. One of the most important provisions was the creation of an innovative “pay-in-advance mechanism” called the “Traction Fund.” In exchange for help by the public sector, the street railways agreed to contribute 5 percent of their capital accounts to this fund, enabling the city eventually to buy them out. (Young, 1998, p. 78)

In the spring of 1919, about 6,000 of the nation’s 44,000 miles of the industry’s electric railroads were in the hands of receivers. (Wilcox, 1921, p. 327) In 1919 the U.S. traction industry created a Federal Electric Railways Commission to study the situation in depth. In Illinois, this induced the legislature to create the Illinois Public Utilities Commission. The new agency preempted the City Council’s franchising mechanism. It authorized a mandated increase in fare prices to increase rail companies’ return on investment and continue the privately-run operations. (Young, 1998, pp. 80-81) This generated multiple court cases concerning the commission’s fare increase initiatives. It involved almost a decade struggle between the rights of regulated, private utilities to earn a fair return on investment and the pressures that the political system places on an independent regulatory agency. Inevitably, this conflict delayed the rescuing of the Chicago Surface Line and the Chicago Elevated Railways Collateral Trust.

Both filed for bankruptcy in 1926 and receivership in 1932, due mostly to debt and in part to inflation. (Young, 1998, pp. 80-81) (Cudahy, 1982, p. 53)

Subsequently, there were many unsuccessful efforts to reorganize the two entities. Provisions for the expenditure of city dollars in 1930 and 1933 for extensions and betterments of the system, including monetary commitments for subway construction, were abandoned due to the financial difficulties of the Great Depression (People of the State of Illinois vs. Chicago Transit Authority, 1945, p. 7). Efforts to reorganize the Surface Lines separately caught the attention of the City of Chicago which “insisted that any reorganization of the transit system must provide for unification for Surface Lines and Rapid Transit and refused to grant a new franchise limited to Surface Lines.” (People of the State of Illinois vs. Chicago Transit Authority, 1945, p. 8)

### Public Financing and Ownership Considerations

As a private entity, Chicago’s transit railway system could not generate the capital needed to stay competitive in a changing transit market. "The L's managers found themselves starved for capital to expand and to modernize the line just as the automobile appeared on the scene as a competitor. New Deal policy enabled Chicago to spend more than \$288 million between 1915 and 1930 on street construction, widening, and paving, but the elevated railway system over the same span was able to finance through private borrowing only \$36.9 million in improvement and extensions." (Young, 1998, p. 85) As the economy started to improve, Chicago leaders feared it would lag other progressive cities. In his 1937 Super Highway Transit Plan and Bus Expansion proposal, Mayor Edward Kelly stated, “[W]ithout adequate local transportation facilities [Chicago’s] industrial supremacy will vanish, property values will diminish, and its commercial and cultural growth and progress will be halted.” The long-range vision of the Mayor's project called for the coordination and modernization of all transportation systems, including the Chicago Surface Lines, Chicago Rapid Transit, and the Chicago Motor Coach<sup>2</sup>, Chicago’s transit bus service. He sought the conversion of elevated railway lines to elevated super highways. Express bus service would be a coordinated with the development of car-oriented traffic control infrastructure. (Unknown. January 1937)

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<sup>2</sup> This paper did not have the resources to delve adequately into the history of Chicago transit bus operations. The private Chicago Motor Coach company is well summarized by The Electronic Encyclopedia of Chicago: “This enterprise was created between 1920 and 1922 through the merger of three motorbus carriers, Chicago Motor Bus Co., the Chicago Stage Co., and the Depot Motor Bus Lines. In 1922, when it was the second-largest urban bus company in the United States, Chicago Motor Coach was purchased by John D. Hertz, a Chicago auto dealer and owner of the Yellow Cab Co. In 1924, Hertz merged Chicago Motor Coach and the Fifth Avenue Motor Coach Corp. of New York City, creating the Omnibus Corp. In 1952, when it owned nearly 600 buses, Chicago Motor Coach's operations were taken over by the Chicago Transit Authority (CTA), the city's public mass-transit enterprise.” (The Electronic Encyclopedia of Chicago, 2005)

At the same time, Kelly's unification vision included the construction of subways, underground streets or other additional facilities. This would particularly provide relief for the long-time congestion problem in the central business district. Kelly's coordinated effort would enable the City to use federal and state aid and two-thirds of the "traction fund" (totaling \$67 million) to fund its share of development costs. Although, Kelly hoped that "with most of the elevated lines losing money...it may be that the company would lease or sell some routes at a price low enough to represent a real saving to the taxpayer." (Unknown, January 1937) While Kelly received much criticism that his "scrapping" of street railway properties would affect the \$169 million-dollar purchase price valuation, he claimed the criticism was "out of line and includes many items which should not be considered under current conditions" of the properties. (Unknown, January 1937) Later court proceedings approving the unification supported Kelly's rationale by noting that "these transportation properties have been in Trusteeship, receivership or bankruptcy in the Federal Court for 18 years, during which period their equipment and properties have steadily deteriorated, become antiquated and obsolete." (People of the State of Illinois vs. Chicago Transit Authority, 1945, p. 13)

Kelly's plan evolved through City Council, Federal Works Agency, and Illinois Commerce Commissions (ICC) actions over the next few years without success. (People of the State of Illinois vs. Chicago Transit Authority, 1945) In, 1944 private trustees tried to do it on their own but were rejected by ICC again: "[The] reorganized company would be in no better position to meet its fixed charges and to finance a modernization program than was the proposed company under [Kelly's] plans." (People of the State of Illinois vs. Chicago Transit Authority, 1945). The ICC report concluded that the trustee's plans did not solve the basic problem: organizing a new company capable of financing the rehabilitation of the properties to provide the type of mass transportation needed by the City of Chicago. The ICC declared that City's proposal and plan's feasibility would be determined by the willingness of the security holders to accept the offer of the City to obtain the funds necessary to carry out the offer. In 1945 Securities and Exchange Commission filed in the US District court a comprehensive report finding that the City's proposal and the plan were fair in the case of the Rapid Transit Lines and fair, subject to minor modifications, in the case of the Surface Lines. The City gained rights to purchase the properties at the prices mentioned in the city's proposal, subject to court modification. (People of the State of Illinois vs. Chicago Transit Authority, 1945)

### Federal Aid and Subway Construction (1937-47)

Since the 1890s, three decades before the automobile became the main culprit of street congestion, Chicago's downtown had been suffering from gridlock. (Young, 1998, Pg.99, 101) The fundamental cause was attributed to the physical arrangement of Chicago's waterways. Bounded by the lake, the Chicago River and its south branch, concentration of downtown

district development was intensified with the addition of extensive railroad yards to the south and the building of the Loop elevated in the late 1890s. The 'iron ring' of the Loop "had a strangling effect, producing so high a density of building that the mixture of pedestrian, streetcar, truck, automobile, and wagon traffic eventually made certain Loop streets impassable during rush hours and on popular shopping days" (Young, 1998, p. 99).<sup>3</sup>

Following his 1902 report, in 1911 engineer Arnold published Recommendations and General Plans for Subway System for the City of Chicago which advocated for replacing the Loop L with downtown subways. (Cudahy, 1982, p. 89) Other plans desired to confront the growing downtown congestion problem as well. Proposals to bury downtown streetcar lines (including those in the Loop) were included in the influential Chicago Plan of Daniel Burnham and Edward Bennett and by recommendation of the Traction and Subway Commission in 1916. But It wasn't until President Franklin D. Roosevelt and the federal government made available public funds for what would be a massive public works program would such actions come to fruition.

The financing of subways was proven to be beyond the capacity of the traction companies (Young, 1998, p. 99) (Cudahy, 1982, p. 63) and the capability of the city to provide the necessary funds. Previous plans to use the \$40 million in the traction fund (under the terms of the 1907 Settlement Ordinances) and "a potential of \$30 to \$40 million from special assessments on adjoining property owners were insufficient to build any more than twelve to eighteen miles of subway. One mile of subway beneath the Loop would cost about forty times as much as one mile of street railway in an outlying area of the city." (Young, 1998, p. 101) By the 1930s, "the public realized that it was necessary for the city to own the transit system before it could commit to the huge sums necessary to put [the transit system] underground" (Young, 1998, p. 101). "Civic organizations; downtown special interest groups; reformers; the emerging autoist lobby; including the Chicago Motor Club; and the street railways united in advocating public spending for solutions" (Young, 1998, p. 99).

Controversy over financing unification and public ownership stagnated the process of solving this expensive transit problem until the Roosevelt administration grants and loans for subway construction were approved in 1937. Federal public works funds totaling \$23 million for Chicago was provided and supplemented by a slightly more than \$40 million from the city's

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<sup>3</sup> "Accurate data were not always available to the early planners and engineers, so the first documentation of the extent of the congestion problem was a partial traffic count by the city in 1907 on bridges, which showed that 57,000 vehicles per day entered downtown from the North and West Sides. The number of motor vehicles registered in Chicago in 1908, the first year for which data was available, was only 5,475. On a single 7 A.M. to 7 P.M. business day in May 1926, a total of 132,913 vehicles entered the downtown streets of Chicago—including 8,432 streetcars, 92,425 automobiles, and 30,224 trucks and wagons. By then, the city's registered motor vehicle population had grown to 317,433. (Young, 1998, p. 99)

Traction Fund. This helped to create State Street and Dearborn Street tunnels in 1943 and 1951 respectively. (Cudahy, 1982, p. 63) The State Street subway unit extended from Armitage and Clybourn Avenues on the north to a point between 16<sup>th</sup> and 17<sup>th</sup> streets on the south and was expected at the time to carry 70 million passengers in the first year of operation, per the operating company's estimates (Shinnick, 1943). The Dearborn tunnel was delayed due to the federal government "criticizing the city for failure to carry out unification promises upon which \$23 million grant was based" and withholding the last of the allocation (\$7.7 million). Wartime rationing was also a factor. When finally completed in 1951, the state-of-the-art subway was used very little by passengers within the central area because of its termination at La Salle Street. It only provided convenient service to downtown by northwest side residents (Chicago-L.org, 2015) and those needing to travel north to south within the downtown area between Lake Street and LaSalle/Congress.

## The Chicago Transit Authority

The Chicago Transit Authority (CTA) was created as a political subdivision in April of 1945 and within a few years assumed public ownership of Chicago's elevated transit rail and surface systems. Up until then, the emerging importance of the automobile held the attention of the city's and state's political leaders. So much so, that a plan for a radial system of expressways converging downtown seemed effortlessly implemented compared to the State Street tunnel completed in 1943. (Young, 1998, p. 108) Although typical of Illinois political thinking of the previous century, the CTA was its own special taxing district, but with no taxing authority. (Young, 1998, p. 108) (Chicago-L.org, 2015). As the CTA began to confront inherited issues of modernization, the "transit system that was unable to survive on fares as a private enterprise was somehow expected to do so as a public entity in a declining market." (Young, 1998, p. 122) However, initial financial benefits and a relatively stable political base of the Democratic machine enabled the new CTA to reform without much interference throughout the 1940s and 50s. Per a publicly distributed pamphlet, the CTA invested or committed \$83 million towards the modernization of equipment and other facilities within the first five years, including the replacement of 80% of former surface lines with cars, new buses, and trolley buses. (Chicago Transit Authority, 1953)

Unification by the CTA was in full effect, claiming "One City-One System," by purchasing the Chicago Motor Company in October 1952. Responding to changes in technology and reduced costs in favor of the automobile, CTA completely phased out streetcars in favor of buses in 1957 and began "pruning" rail lines by replacing some rapid transit service with bus routes. (Wilson, 2015) By then, the CTA had more than 400 gasoline and electric buses on its roster in addition to the 595 Chicago Motor Coach fleet. By 1960, all its 3,269 streetcars were entirely replaced by a surface fleet of 2,240 buses. (Young, 1998, p. 117) While the increased flexibility and efficiency of the motor bus made for a cheaper transit system, it did not contribute to solving the problem of congestion in the Central Area. CTA's lack of attention to this challenge is evidenced by its route maps in the 1950s. It provided scant guidance on how to use the transit system for circulation and distribution in the Central Area. One 1959 CTA route map shows no specific information or graphics about routes or schedules within the business district, nor how physically to connect to commuter rail lines and suburban bus lines. Apparently, the CTA left the responsibility of public transportation within the central core to taxi cabs and a few bus shuttles. (Chicago Central Area Committee & Barton-Aschman Associates, 1958)

## **Part 2 Efforts to Reconfigure the CTA Rail System in the Central Area**

### Chicago Central Area Committee (1956-60s)

The CTA, not dissimilar to city officials, was slow to adjust to the rise of the automobile and realities of postwar population migrations, including the middle-class flight to suburbia (Young, 1998, p. 122). Per estimates of the University of Chicago's Community Inventory, the population of Chicago's six-county metropolitan area had increased 14 percent, from 5,500,000 in 1950 to 6,250,000 in mid-1955. (Manly, 1957) Additionally, the Chicago metropolitan area at the time was considered the world's most productive industrial center and predicted to grow larger. Claiming about 4.25 percent of the national total of the gross product of goods and services, Chicago had led the nation in industrial expansion for many years. (Manly, 1957) Despite these leading statistics and other advantages, Chicago had trailed behind many cities in other respects. It continued to lag far behind New York in the expansion rapid mass transportation. It also lagged other cities such as Pittsburgh, Dallas, and Houston in new office building construction. (Manly, 1957) There was an apparent need for better connections to hotels to and from McCormick Place, the new lakefront exposition hall, which was close to being completed; the new facility would attract more trade shows and conventions to the downtown area. Chicago's competitive attitude vis-à-vis other cities and the emerging convention market led to increased attention towards the central area of downtown. Per a 1957 Chicago Daily Tribune article, there was "much to be ashamed of in the central area, such as the flop houses of S. State St. and S. Clark St. and the honky tonks of N. Clark St., obsolete and deteriorated structures that should be torn down, and many other unsightly signs of neglect and decay." (Manly, 1957)

Confronted with these major urban issues and ashamed of the Chicago political leadership's failure to keep up with other leading U.S. cities, business leaders led the creation of a new cooperative undertaking representing all downtown stakeholders. In 1956, the Chicago Central Area Committee (CCAC) was formed. While Chicago had the State Street Council, the Wabash Avenue Association, the North Michigan Avenue Association and various other local groups, none was dedicated to the improvement of the entire downtown area. The CCAC represented "the combined industrial, commercial, and financial strength and the professional and technical skills of Chicago." It had the devoted goal of creating and promoting a long-range improvement program for the city's central area bounded on the north and west by the river, on the south by Roosevelt Rd. and on the east by Lake Michigan. (Manly, 1957) The Chicago Tribune boasted that the formation of the organization and its program "could amount to a renaissance in [the] city" since "nothing like it has happened since the 100 members of the Chicago Commercial club sponsored Daniel H. Burnham's 'Chicago plan' 50 years [earlier]." (Manly, 1957)

Rightfully so, the 14 members of the CCAC's executive committee was comprised of powerful local stakeholders and industry leaders. The executive committee, chaired by Homan Pettibone, leader of the board of the Chicago Title and Trust Company, was said to have

devoted at least half his time to the organization. Also active on the committee was one Chicago's prime movers, Houghston M. McBain, chairman of the board of Marshall Field & Co. (Manly, 1957). Other members of the committee included the presidents of various industry-leading companies, such as the Inland Steel Company, Illinois Central Railroad, Illinois Bell Telephone Company, Continental Illinois National Bank & Trust, First National Bank, United Air Lines, and Hilton Hotels Corporation. (Manly, 1957) Additionally, the CCAC was actively staffed by experienced and well-qualified individuals, including its executive director, Randall H. Cooper, formerly the executive director of the State Street Council for 12 years, and Frederick T. Aschman, a former executive director of the Chicago Plan Commission. (Manly, 1957)

The 12 Special Committees of the CCAC formation allowed for concerted attention to be paid to the many different concerns of the central area, including but not limited to, beautification, commercial development, land use and zoning, traffic, etc. Most important, the special committee on planning and research was tasked with creating a new basic plan for the entire central area that was informed specifically by the studies made by other CCAC committees. At that time, projects like the proposed Fort Dearborn site north of the river and the redevelopment of the consolidated terminal on the south side of the Loop were both considered drivers of the initial work of CCAC. (Manly, 1957) Furthermore, the CCAC paid particularly close attention to potential impacts on the circulation of people and traffic within the central area, such as the building of rapid transit lines in the medians of newly built expressways. (Manly, 1957)

The CCAC was also aware of the city's need to analyze the effects of Chicago's new auto-centric urban society. Staff and city officials needed to fully understand these new trends in traffic circulation and changes in public transit usage related to terminal parking and rail terminals. Stakeholders were concerned that past state legislative bodies were not equipped to make decisions on plans for complex subjects on transportation without technical consultation. (Unknown, A Fine Consultation But the Patient Died, 1959) Additionally, Chicago taxpayers and politicians were beginning to give transportation-related public costs closer scrutiny. This was driven largely the CTA, which had exhausted the financial benefits of consolidation reforms in the 1940s and 1950s and asked the city for greater operating subsidies. (Young, 1998, p. 122) The CCAC announced its opposition to a tax subsidy programs for operating expenses in a report to Mayor Richard J. Daley. It referred by example to New York's financial problems and ridership decline resulting from a heavily subsidized public transit system. (Unknown, A Fine Consultation But the Patient Died, 1959) While CCAC recommended in its report a comprehensive study be done of the metropolitan transportation problem, there was a general fear that initiating more studies and commissions would cost more taxpayer money and in effect directly delay addressing the issues at hand. (Unknown, A Fine Consultation But the Patient Died, 1959) The Chicago Daily Tribune reported in 1959 that the Chicago Area

Transportation Study alone was costing close to \$2,350,000. (Unknown, A Fine Consultation But the Patient Died, 1959)

In October 1956, CCAC provided a progress report to Mayor Daley summarizing the existing broad and generalized transportation studies in the Chicago metropolitan area. The purpose of the report was to identify existing data and “areas in which further research may be required as a basis for the work of the Committee on Transportation...[and] will lead to the discovery of additional basic studies or to sources of data [from various transportation agencies and divisions of government gathered for their own purposes] that may be readily assembled into basic studies.” (Chicago Central Area Commission, 1956) Transportation studies included The Chicago Area Transportation Survey (CATS), Transportation Usage Study (Cook County Highway Department), Chicago’s Annual Cordon Count, Transportation To and From Chicago Airports (Chicago’s Bureau of Street Traffic), Truck Operation in the Central Area, studies by the Chicago Transit Authority, and the Motor Truck Terminal Study. (Chicago Central Area Commission, 1956) The findings of this report were of interest to the CCAC to identify and carry out improvements of the Central Area:

- While the CATS study aimed to “provide data on the movement of persons within the Chicago Metropolitan Area by all forms of transportation...into and through the area,” it was being carried out with the assumption that “there [would] be no significant increase in the floor area of buildings comprising the central business district, or in the number of persons drawn daily to that district” due to “inescapable physical limitations [that] may preclude unrestricted development.” (Chicago Central Area Commission, 1956, pp. 4, 6) This provoked the CCAC’s interest and emphasis in providing guidance and advice to the City on types, densities, and distribution of land uses within the Central Area. Furthermore, the predicted and projected travel data developed from this survey assisted the CCAC in further defining parking demand within the Central Area in terms of quantity, purpose of trip, and therefore type of service required. It also informed the CCAC on the geographic distribution of parking in accordance with type of demand. (Chicago Central Area Commission, 1956, p. 7)
- Chicago’s Annual Cordon Count by the City’s Bureau of Street and Traffic and a Cook County Highway Department Transportation Usage Study were evaluated in CCAC’s progress report. While the count noted vehicles and passengers entering the Loop by various forms of transportation, CCAC identified a lack of accurate interpretation of the data and a disregard of through movement. Similarly, while the Transportation Usage Study analyzed the motives which guide the public in its choice of alternate modes of transportation relating to work trips, shopping trips, and trips to the central business district, it did not specifically analyze movement through the Central Area. (Chicago Central Area Commission, 1956, p. 9)

- The CCAC progress report also made apparent that the City was already paying attention to the congestion motor truck operations caused within the Central Area. Results of a Motor Truck Terminal Study in 1950 regarding pattern of truck movements, distribution of pick-up and delivery operations, and location of truck terminals resulted in a recommended program of truck terminal development. In response to a resolution by the City Council, several governmental agencies in 1953 also made a study of motor truck operation in the central area bounded by the Chicago River, Van Buren Street and Michigan Avenue, specifically finding a decrease in use of the freight tunnel system and analysis of through movement by trucks. (Chicago Central Area Commission, 1956)
- The CCAC also considered studies commissioned by the Chicago Transit Authority. Various ridership volume, transfer and origin-destination data made available between 1947 and 1956 informed CCAC about the specific use of public transportation within the Central Area. (Chicago Central Area Commission, 1956, p. 12)

With the publication of this progress report, the CCAC's Committee on Transportation hired a local, highly-regarded traffic engineering consultant, George W. Barton, who prepared *A Review of the Traffic Problem Facing Chicago's Central Area*. Supplemented by the CCAC's conclusions in their report to the Mayor, Barton argued that the issues within the central area are "directly related to the form of internal transportation within the Loop." (Barton, 1956) In his report, Barton recommended methods for minimizing or eliminating unnecessary travel in the Central area and suggested measures for eliminating interferences and inefficiencies in the remaining traffic. (Barton, 1956) Particularly, Barton suggested further analysis on the significant and needless truck and automobile traffic that pass through the Loop daily with no destination there. (Barton, 1956)

For the first time since the development of the Loop, Barton notably emphasized the potential implementation of a local central distributor to reduce auto circulation within the Central Area. In addition to an expressway-type "outer ring," this "inner ring" would carry traffic around the fringe of the Central Area to parking facilities nearest the desired locations. He went on to describe a potentially successful alignment: "One-way streets on the west side (Canal, Jefferson, Clinton and Des Plaines) are helpful as distributors. They do not, however, connect to efficient east-west routes north and south of the Loop. Ontario and Ohio Streets are being developed as a one-way pair but as connections to the expressway system rather than a part of an inner-distributor ring. Wacker Drive is a reasonably effective ring route on the west and north sides of the Loop." (Barton, 1956, p. 2) However, he emphasized that this program's success may involve new bridge construction, better connections to the expressway system and its ramps, the exclusion of parking within the center of the Loop, and the adequacy of internal transportation to carry patrons from the perimeter parking facilities to downtown destinations. (Barton, 1956) Barton believed that "As the population becomes more thinly spread through suburban development, the automobile will be playing a proper role if it serves as a collector

for rapid transit lines. The extent to which this form of operation is successfully encouraged would have a strong bearing upon the quantity of parking required within the central district itself, and intermediately suggested excluding parking within the center of the Loop altogether.”(Barton, 1956, p. 12) Barton advocated for the increased use of taxicabs to transport passengers internally from the distributor's stations to their final destinations like the role horse carriages played in early 19<sup>th</sup> century downtown. He believed that a combination of this practice and parking restrictions would diminish the need for concentrated bus routes and discourage individual private automobile movement within the Central Area. (Barton, 1956)

### Public Sector Plans for Central Area Transportation (1958 – 1989)

It was from the CCAC’s progress report to the Mayor and Barton’s *Review* that the CCAC was beginning to understand the potential long-term effect of a Central Area passenger transportation system. It would materially impact new traffic generators, new buildings, and transportation terminals within the downtown area—and the CTA and City were both paying attention. In January 1958, the CTA published the *New Horizons for Chicago’s Metropolitan Area*, a master plan for expansion and upgrading of the city's transit system. The ambitious \$315 million, 20-year plan was the CTA’s first comprehensive look at Chicago’s transit system for over a decade; the plan included proposals for new rapid transit subways, “L” extensions further out into the city, and modernization of existing rapid transit facilities. (Chicago-L.org, 2015)

Proposals thru the Central Business District specifically included a series of three new subways, with costs totaling an estimated \$60 million. (Chicago-L.org, 2015):

1. Wells Street Subway: A new high-level subway route above the State and Dearborn subways through the Central Business District from a connection with the "L" at Chicago Avenue and Franklin Street to a connection with the proposed South Side Rapid Transit line.
2. Jackson Boulevard Subway to Grant Park: A new high-level subway under Jackson Boulevard from a connection with the West Side Subway, currently the Congress Line, at Halsted Street to a loop under Grant Park. The subway would pass over the State Street Subway.

3. Washington Street Bus Subway to Grant Park: A bus rapid transit subway under Washington Street from Canal Street to Michigan Avenue.



Graham Garfield Collection JACKSON BOULEVARD SUBWAY www.Chicago-L.org

While none of these downtown subway plans were realized, the modernization of Randolph-Wabash Station was completed in 1957 before the plan's publication. A new "Inner Loop" station house was made possible in conjunction with Marshall Field's Department Store and the opportunity to share the cost of construction (CTA's share was an estimated \$40,000). (Chicago-L.org, 2015) As a consultant for the CCAC, Transportation engineer Fredrick Aschman supported the principles of the CTA's downtown circulation proposal, but only "if subsequent planning shows these to be desirable." (Aschman, 1958) On top of the CTA plan's high cost and lack of funding, there was also an increased momentum and interest in understanding transportation within the Central Area as the results of broader transportation studies began to surface, such as initial volumes of the Chicago Area Transportation Study.

In February of 1958, Mayor Richard J. Daley announced the creation of the Central Area Planning Program to 1) "secure at the earliest possible date, an interim plan for the Central Area that will serve as the basis for correlating a series of improvement projects of immediate concern to the City Administration;" and 2) provide ultimately, as a part of the City's General Plan, a long-range guide for the further development of the Central Commercial District." (Aschman, 1958, p. 1) Encouraged by the CCAC, this City effort was born from the growing need to create a comprehensive guide for Central Area growth, driven by a predicted \$1.5 billion investment of public and private funds in new buildings and public facilities downtown through 1959. (Buck, 1961, p. 5) Though, per Chicago Tribune transportation reporter Thomas Buck in 1961, government officials and civic, business, and industry leaders believed this prediction was very conservative. (Buck, 1961, p. 5)

The *Development Plan for the Central Area of Chicago*, the first phase of the City's Central Area Planning Program, was released by the Mayor and Department of City Planning Commissioner Ira J. Bach in August 1958. The plan proposed extensive improvements for the area bound by North Ave., Ashland Ave., and Lake Michigan & 26th St. It consisted of a series of proposals for multiple projects. They included the Government Centers (two groupings of government buildings where a north grouping would extend from the State Building and City-County Building and a south grouping utilizing the site of the Federal building and a new site along the north of Congress Street); a Union Station redesign with a railroad termination consolidation; a University of Illinois campus (located in an area bounded by Congress, State, 14<sup>th</sup> Street and the Chicago River); port development (shipping berths and long-range need for a third airport); recreational facilities (Grant Park expansion, new beaches, Metropolitan Fair

and Exposition Authority plans for an exposition center); and general conservation, redevelopment, and housing development projects around the Central Commercial District. (Department of City Planning Commissioner Ira J. Bach, 1958) Assuming the City was listening to the professional opinions of the CCAC, the major proposals of this plan aligned with previously mentioned CCAC recommendations. (Aschman, 1958) For example, the Department of City planning takes on Barton's two-ring distributor roadway concept for automobile traffic to aid the distribution of traffic into the Central area and provide a by-pass route for through movement. The plan also outlines the need for new parking facilities in connection with the various projects and new peripheral locations having direct access to expressway systems and ring roads, with "convenience" parking located within commercial core. (Department of City Planning Commissioner Ira J. Bach, 1958) In an analysis of this development plan for the CCAC, transportation engineer Fredrick Aschman notes that while transit within the Central Area was considered, no specific proposals touched on an internal circulation system proposal outside of CTA's 1958 *New Horizons* plan. He recommended the CCAC push the City for a further study to produce a specific proposal that addresses the issues laid out by the CCAC - Issues that would most certainly become exacerbated by the Loop's reviving real estate market. (Department of City Planning Commissioner Ira J. Bach, 1958) (Aschman, 1958)

Noted by the Tribune's Buck as "one of the greatest building booms in the city's history," 44 major construction projects in downtown Chicago had been completed, placed under construction, or had been sent to the drafting boards from January 1958 to 1962. (Buck, 1961, p. 3) Buck stated many factors, according to economic experts, contributed to the rebirth of the downtown area: the general prosperity of the United States, which is reflected especially in Chicago because of its leadership in commerce and industry; and the realization by big private investors that new investments in downtown properties are sound profit-making ventures. (Buck, Chicago Cental Area Committee--A Progress Report, 1961, p. 7) He also gives credit to Mayor Daley and his administration, the Chicago Plan Commission, and the City Planning Department for encouraging new developments and sponsoring specific projects such as the proposal of a new Transportation Center immediately west of the Chicago River. (Buck, 1961, p. 3) Cook County had also worked in partnership with the city and the Public Buildings Commission in planning a skyscraper courthouse and office building civic center, along with the federal government participating in the construction of a new office and courthouse complex in the heart of the Loop. (Buck, 1961, p. 7) Per the six-year report published in 1962 on major issues impacting the Central Area, the CCAC specifically reported about \$2.5 million worth of construction had taken place or underway in the central area. Additionally, over-all occupancy of office space in the downtown area had risen to nearly 96%, despite construction and the conversion of loft space. Notably, more than a dozen leading American corporations located headquarters within the Central Area, along with several thousand new apartment units built and planned from 1958-1962 within walking distance of State Street stores, in the financial and

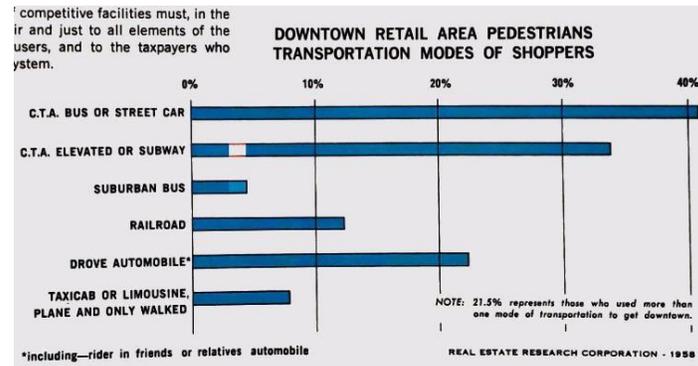
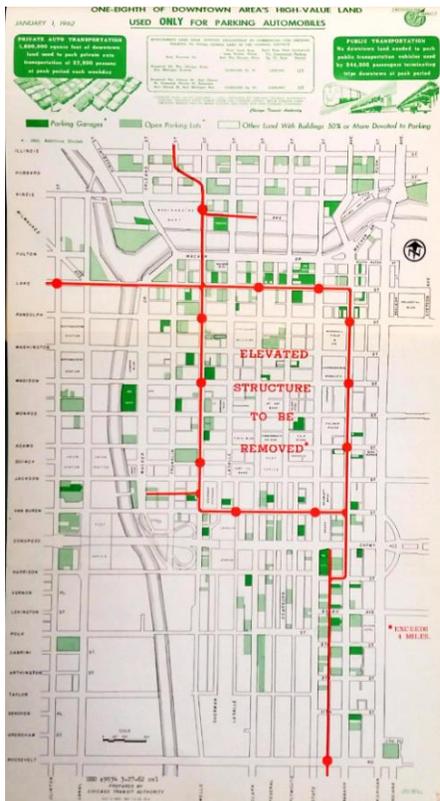
entertainment districts, and within the proposed air rights development of the Illinois Central Railroad site. (Chicago Central Area Committee, 1962)

In fall of 1961, Mayor Daley commissioned a detailed study intended to provide the basis for a “balanced transportation plan” for the metropolitan area, admitting that “it is apparent that the construction of [the city’s] expressways is not providing the solution to congestion in the central area.” (Unknown, Firm Engaged to Study City's Mass Transit Needs, 1961) Per the Chicago Daily Tribune, this would be the first municipal study in nearly 25 years that would describe the actual needs of Chicago residents in relation to mass transportation facilities serving the Central Area, including the hundreds of thousands of people who worked there at the time. (Unknown, 1961) The chairman of the Chicago and North Western Railways suggested that the State commission a similar study that included the suburbs. The Chicago Tribune reported that some transit experts interpreted the city’s hiring of an engineering firm for their study to counter to including suburban considerations. Still the earlier recommendations by the Aschman and the CCAC seemed to resonate broadly. (Unknown, 1961) The CCAC’s six-year report reiterated the importance of not only vehicle circulation, but the more immediate need to improve pedestrian movement and distribution of people in the Central Area by various forms of transportation. (Chicago Central Area Committee, 1962, p. 26) They recommend an internal circulation system should accommodate two types of movement: 1) movement by people to their places of employment, to shopping districts, and to other points within the Central Area from railroad terminals, peripheral parking facilities, and from mass transit stations; 2) movement between office buildings, stores, banks, and other points within the Central Area. (Chicago Central Area Committee, 1962, p. 26)

Along these lines, the CCAC urged a new attempt to solve the problem of consolidating railroad passenger terminals south of the Loop. “Railroad terminal facilities should be more efficiently organized and desirable land put to uses that will enhance and support the essential commercial functions of the central [downtown] area,” the report declared. (Chicago Central Area Committee, 1962) Their belief was that no single type of effort would bring about a solution to this problem; a complete resolution to the challenge would require “a combination of strong governmental action, investment and cooperation by private enterprise, and community support.” (Chicago Central Area Committee, 1962, p. 15) The Last attempt to solve this multiple railroad terminals died when the University of Illinois trustees selected the near west side Harrison-Halsted site for the new Chicago Campus. (Chicago Central Area Committee, 1962, p. 16) The proposal pushed by many major civic and business organizations to clear the railroad tracks for this project was rejected as being impractical from the standpoint of meeting U of I’s timetable to create the campus. (Buck, 1962)

Parking was another area of concern for the CCAC. The committee urged that the nature of current demands for parking be determined and plans be laid out to continue a parking

facilities program to meet shortages in different sectors of the Central Area. Overall, the CCAC believed that if an internal circulation system can be officially defined and projected, it could become a proactive element in planning new development, parking facilities, and transit lines.



Source: (Chicago Central Area Committee, 1962)

At the same time the CCAC published its report in 1962, the CTA was exploring further solutions for pedestrian movement in the Central Area heavily based on the expansion of the city-wide subway system proposed in their *New Horizons* plan in 1958. Hopeful of the passing of President Kennedy's Urban Mass Transportation Act, the CTA published a *Plan for Expanding Rapid Transit Service in the Central Area of Chicago* in the spring of 1962 with the assumptions that the federal government would contribute most of the funding. This coordinated transportation plan took a detailed step further in the planning of the Central Area and outlined a two-stage project proposal: 1) the expansion of the subway system that would bring suburban railway stations, the large lakefront parking area, plus Soldier Field and McCormick Place, closer to the heart of the central district time-wise, and permit removal of all elevated structures downtown; 2) joining of the these central district lakefront subways with the proposed South Expressway

route to establishing a Ravenswood-South through service that would traverse the downtown shopping, theater, and office area. (Chicago Transit Authority, 1962) The new subway loop would place double-track operation under Jackson Boulevard, LaSalle Street, Randolph Street and Grant Park parking lot. Additionally, some Loop trains would be routed down the lakefront to a Soldier Field station and stub terminal at McCormick Place (Stage 1), or potentially

through-routed via the future project for South Expressway median strip tracks (Stage 2). Northside trains would pass below the Chicago River in the historic LaSalle Street streetcar tubes while a new river tunnel would be required for Lake Street trains under

*Source: Chicago Transit Authority (1962)*

Randolph Street. (Chicago Transit Authority, 1962) Specifically, it proposes shifting the elevated loop structure in the “broad central district” (5 miles total) under streets with less vacant frontage and taller buildings, that would connect with the most pedestrian movement. With six downtown hotels located within a block of the recommended loop and 11 within one block of the network of proposed downtown subway routes, the proposed subway also would connect tourists to important features such as Merchandise Mart, McCormick Place, Soldier Field, the Chicago Natural History Museum, the Shedd Aquarium, Alder Planetarium, Roosevelt Road Beach, and Meigs Field. In 1961, Chicago attracted more than 3 million visitors annually who would benefit from this proposal.

Speaking to the principles outlined in CCAC six-year report, the CTA recognized the need to address parking within the Central Area and review the current parking facilities program. They proposed the expansion of existing parking facilities by the lakefront and near suburban rail stations, as well as new fringe-area parking such as a large self-service garage over the Northwest Expressway (now the Kennedy Expressway) connected to short, frequent subway service into downtown. Accompanying these facilities, the CTA would establish reduced commuter fares to suburban rail passengers and fringe-area parkers during rush hours, as well as eliminating transfer fees between rail and subway. (Chicago Transit Authority, 1962) Furthermore, the CTA analyzed the approximate land area devoted exclusively to parking automobiles within the Central Area. Findings showed that about 19% of the street frontage along the elevated loop was used for parking, while the proposed subway loop would only have about 1% frontage for parking. (Chicago Transit Authority, 1962)

The CTA concluded in their proposal that travel within the downtown area would be faster and more comfortable just because of the sub-street network of passageways and combined platforms created by the new subway loop. They predict that passengers would take advantage of this network for short trips within the central district because of the two-way train service and protected passageways, especially during inclement weather. Specifically, the sub-street network would provide direct access to the City Hall-County building, the new Federal Building, as well as many downtown stores and office buildings; with the network the longest possible trip would be about one and one-third miles. Notably, a significant driver of the subway loop routing was the large, mixed-use air rights development over the Illinois Central Railway yards

in the northeast corner of the central district. The project called for eight to ten apartment, office, and hotel buildings planned for construction accommodating more than 30,000 people per weekday. The CTA recognized “a central district sector of such size and activity should have rapid transit service.” (Chicago Transit Authority, 1962, p. 11)

CTA’s initial proposals for city-wide mass transportation improvements called for more than \$310 million worth of investments over a 20-year period. (Buck, 1963) George DeMent, the new CTA chairman, noted in 1963 that Chicago was in the same position as every other major city in the United States. For example, study commissions in Los Angeles, San Francisco, and Atlanta also determined that major capital improvements to provide mass transit must be financed in whole or in part by local, state and federal government agencies. (Buck, 1963) At the same time, the CCAC and other transit and planning experts explained that a greater public realization and understanding of the need for transportation improvements downtown would be necessary before developing new public financing techniques to fund these expensive projects. (Buck, 1963) To enroll the public in this transportation investment, William R. Marston, the city’s deputy plan commissioner of transportation, and Paul Oppermann, executive director of the Northeastern Illinois Metropolitan Planning Commission initiated a cooperative effort to develop a comprehensive metropolitan plan for a balanced transportation system. Based partly on findings of the Chicago Area Transportation Study, which had finally been completed in 1962, the planning effort included the CTA, county highway departments, the Illinois State Division of Highways, and the Federal Bureau of Public Roads. While certain aspects of the CTA’s 1962 proposal for expanding mass transit within the central area certainly had merit, DeMent admitted to the Chicago Tribune, “The downtown program needs considerable review...The need for more downtown subways must be restudied with a special eye on the probability of the large development of the air rights east of Michigan Avenue over the Illinois Central tracks.” (Buck, 1963) The commuter railroads, as well as major suburban bus companies also were invited to participate in the planning program that would eventually result in the *Coordinated Transportation Plan for Chicago* and included the creation of the *Chicago Central Area Transit Plan*.

In 1965, The Department of City Planning published a ten-year *Coordinated Transportation Plan for Chicago*. Echoing the CCAC six-year report, a key objective of this plan was to "promote growth and effectiveness of a balanced, coordinated transportation system of expressways, arterial and local streets, rapid transit lines, railways, and airports; realizing that residential, commercial, recreational, and economic goals would be less difficult to accomplish if this objective is attained." (Department of City Planning, 1965) Also, like the views of the CTA and CCAC, the report pointed out multiple factors that indicated the need for mass transportation serving the central area. On top of sharp increases in department store sales, new building construction within the Central Area completed within the past ten years totaled more than 11

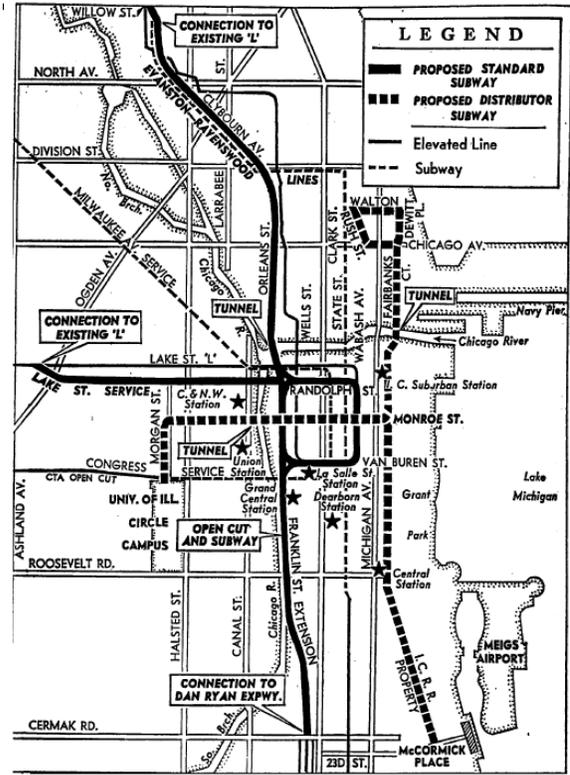
million square feet at the cost of \$415 million. Compared to the \$250 million worth of Central Area construction the CCAC reported in 1962 alone, the city reported that projects under construction in early 1965 or planned for the near future totaled more than \$1 billion. (Department of City Planning, 1965) Using data from the Chicago Area Transportation Study, the report emphasized the fact that more than 80% of people entering the Central Area during morning peak and more than 85% of those arriving during the noon hour peak period had arrived by mass transit. The sense of urgency was apparent as the city stated that any substantial increase in the number of automobiles entering downtown would create tremendous demand for new parking facilities and be considered undesirable for the Central Area. (Department of City Planning, 1965)

Since the CCAC formed, this was the first City plan that specifically addressed the issues of the Central Area District. Traditionally, the District was considered the land bounded on the north and west by the Chicago River, Congress Street on the south and Lake Michigan on the east. CCAC defined the Central Area extending a half mile south to W Roosevelt Road. However, due to much of the recent development activity, the City plan covered the "full Central Area," extending the traditional boundary north to Chicago Avenue, West, to Halsted Street, and South to Roosevelt Road. (Department of City Planning, 1965) A preliminary draft of the plan proposed the immediate execution of a Central Area subway planning and engineering study and an "experimental Central Area circulation service" jointly by the CTA and City of Chicago. It mentioned the continued rapid pace of construction and development within the gateway area west of the Chicago River and the air rights in the area west of Michigan Avenue. The new Central Area Subway alignment correlated with the origins of trips centered along LaSalle Street and Wabash Avenue (N/S direction), and along Washington Street and Adams Street (E/W direction). To justify the removal of the elevated structure, a supplemental test bus shuttle operation around the Central Business District elevated was proposed. This preliminary proposal would provide additional service for passengers within the area and the operating results were said to be "useful in planning additional facilities." (Department of City Planning, 1965)

In April of 1965, Mayor Richard J. Daley disclosed plans for a new downtown subway. (Buck, 1965) It would allow for the elimination of the Loop elevated structure and provide direct connections to commuter rail terminals. Local financing under consideration was a special downtown property assessment tax to fund the one-third match for federal funding to pay the estimated \$100-150 million construction cost. Local business leaders hailed the plan citing benefits including increased property values and better distribution of commuter rail users in the downtown. The City Council approved a resolution supporting an application for a federal loan to begin preliminary planning for the subway.

The City received a \$1 million interest-free federal loan from the Communities Facilities Administration at U.S. Department of Housing and Urban Development. The Mayor in early 1966 appointed a select committee to oversee the subway planning project and other ways to improve downtown traveler distribution. (Buck, 1967) The Chicago Tribune, in an editorial, argued that a new subway for the downtown should eliminate the Loop L and recognize "...the necessity to provide efficient transportation for the whole new city which is sure to rise east of Michigan Avenue." This included the developable railroad air rights south of the Chicago River and the land controlled by the Chicago Dock and Canal Trust on the north bank. (Transit for the New Central Area, 1966) In a subsequent editorial in late 1967, the Chicago Tribune noted that City planning efforts had evolved to include a subway to remove the Loop L, an original planning goal, and a "downtown subway distributor line which would connect the commuter railroad stations the new north side and the developing Gateway district on the new west side and the University of Illinois Chicago Circle Campus." Three financing plans were under consideration including (1) a general obligation bond issue; (2) special assessments on downtown property; and (3) a state-legislated transit district with property tax authority. (Progress in City Transit Projects 1967)

The plan was completed and published in April of 1968 called the Chicago Central Area Transit Planning Study. (Department of City Planning 1968), from now on referred to as the Plan. It called for two new subways: "(1) an east-west, high-level 'shuttle' or 'distributor' subway extending from the University of Illinois Circle Campus via Monroe Street [known later as the Monroe Distributor] to two branches along the lakefront which will serve the near northeast area and lakefront activities including McCormick Place; and (2) a conventional subway following a loop pattern under Franklin, Van Buren, Wabash and Randolph Streets, crossing under State and Dearborn subways." (Department of City Planning 1968, p. 1) The Loop subway would operate like the existing elevated Loop service.



Source: Chicago Central Area Transit Plan Study

The primary purpose of the Plan was to make transit more effective. The new subways would be more effective in distributing persons debarking from the commuter railroads and the CTA rapid transit and bus systems in the Central Area. This would improve the City's economic health. (Department of City Planning, 1968 p.9) However, a secondary purpose was to allow for the removal of the Loop L, which was perceived to have a "blighting influence" discouraging development. The current Lake-Ryan, Ravenswood and Evanston lines operating on the Loop L would move to the new "conventional" subway. The total cost of the improvements, including new underground pedestrian and escalator connections, was estimated to be \$478 million in 1969 dollars. It was assumed that a new federal transit funding program enacted in the 1964 Federal Mass Transit Act would cover two-thirds of the construction cost. To match that grant, the Plan suggested various options: a special assessment on property in the Central Area, a special tax on property directly benefiting from the improvements<sup>4</sup>, a general obligation bond or a combination of the three. (Department of City Planning, 1968 p.5) The Plan estimated that the subways with the elimination of the Loop L would increase property values by \$1.8 billion. (Department of City Planning, 1968 p. 5) New development was expected to be induced including at Wolf Point, the Near North Side, and the air rights over the Illinois Central Railroad east of Michigan Avenue. The Plan's projects were expected to take up to 7 to 10 years to complete.

The financial approach to building the new subways was still uncertain in the Fall of 1968. The Chicago Tribune reported (Buck, 1968) it was questionable whether there was sufficient federal funding available to cover two-thirds of the project cost. Also, two of the three local match options had been ruled out: The special assessment on Central Area land and a general obligation bond issue. The former was deemed impractical given the thousands of parcels involved. The latter was not supported by Mayor Daley, who favored a special property tax on downtown properties directly benefiting from the project. This made a special tax district established by special state legislation as being the preferred approach. The Plan recommended that district have the boundaries of North Avenue, Ashland Avenue, the Stevenson Expressway and Lake Michigan. The taxes imposed by the district would be deductible by the taxpayer on their federal taxes. The district property tax, the tax collected on the land and the buildings, is fairer than the special assessment, which is only on the land. It was hoped that the special tax district would be enacted by the legislature during the 1969 spring session.

The Illinois General Assembly did pass the Urban Transportation District Act. (Urban Transportation District Act, 1969) Chicago and any other municipality in Illinois seeking to establish such a district had to show that "welfare and vitality of such area is...jeopardized by the absence...or

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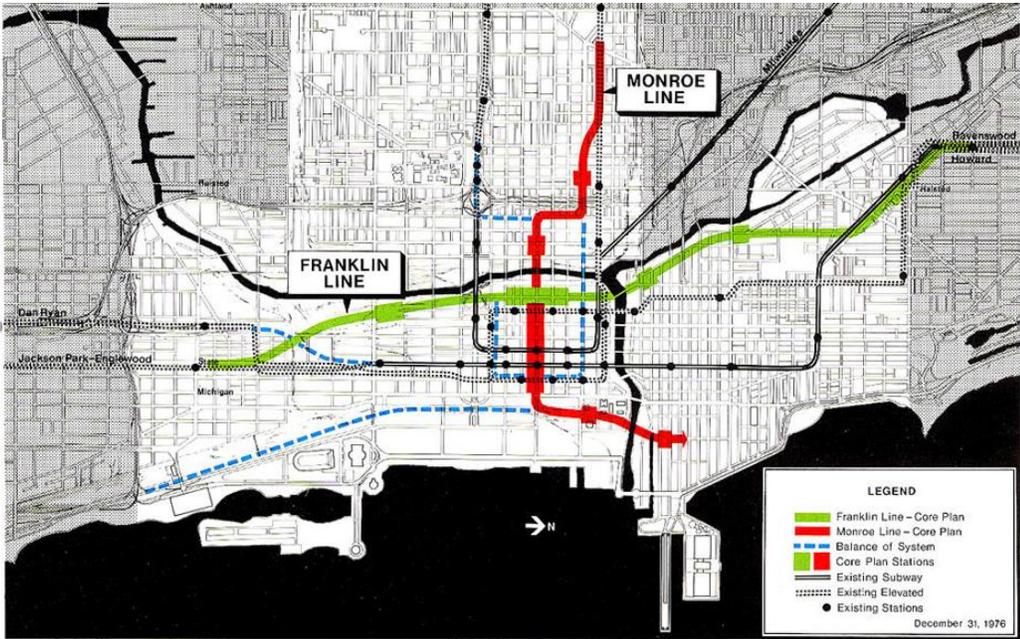
other inadequacy of mass transportation facilities...and that it is in the best interest of the area and the public that an Urban Transportation District be organized to exercise the powers and authorities prescribed by this Act, ... ." (Urban Transportation District Act, 1969, Par. 504) Before a district could operate, a majority of the voters within the district had to approve it through a referendum. (Urban Transportation District Act, 1969, Par. 505) The district, a separate unit of local government, had both bonding authority and the ability to levy property taxes within the district to service the bonds.

In April of 1970, by resolution the Chicago City Council designated an area within the City, following the boundaries recommended by the Plan (see above), to be the Chicago Urban Transportation District (CUTD). A referendum on the District was held in June and approved by a vote of 11,454 to 6,730. The District was challenged in court as violating the U.S. and Illinois constitutions. The Illinois Supreme Court held that the District was valid in December of 1971. (People Ex Rel. Hanrahan v. Caliendo, 1971) The Court noted that the District planned to construct the Plan's subways, then estimated at \$750 million, and had applied for \$500 million from the federal government (the Urban Mass Transit Administration (UMTA)) to cover two thirds the cost, the maximum under federal law. The remainder would be funded through the District's bonding and tax authority. Once built the District planned to lease the new facilities to the CTA for operation and integration into the rest of the rapid transit system.

The federal grant application was not acted on by UMTA. As explained by a 1976 Congressional Office of Technology Assessment (OTA) report (Congressional Office of Technology Assessment 1976, p. 24-25), the project was controversial due to its high cost, the property tax on Central Area property owners, disputes as to who would benefit, and whether it targeted development within the Central Area to the disadvantage of adjacent neighborhoods. The disruption caused by construction downtown also was a concern. The report noted that very little community outreach was conducted by the CUTD, which may have alleviated some of the controversies. Rather than approving the federal grant, UMTA pressured CUTD to do further studies. CUTD concluded that the original 1968 new subways plan was the best alternative. UMTA found this unacceptable and pressed for resolution of the controversies.

No progress was made by 1975 when CUTD formed a task force to reconsider the Plan. Alternatives were developed for the Monroe Distributor subway and the Franklin Street subway, but no resolution was reached. Further unofficial planning to reduce the project scope and cost remained "beyond the capability of presently identified funding sources." (Congressional Office of Technology Assessment 1976, p. 24) By 1975 the total cost of the project was estimated to be \$1.624 billion. (Chicago-L.org. 2017, August) Phasing the project by starting with a Core Plan was designed, but that practice still put the estimated cost at \$1.43 billion. Eventually, the Franklin Street Subway was carved out by the CUTD to be the first part of the Plan to move forward. It was estimated to cost \$496 million. "The route was kept generally the same as the earlier plan, with a line beginning at

Willow on the north and extending south under Clybourn, Larrabee, Kingsbury, Orleans, Franklin, and the proposed Franklin Connector expressway median. At the south end, connections would have been made with both the South Side Elevated and Dan Ryan Line. Stations were proposed for Chicago, the Apparel Center (Kinzie/Orleans), a continuous platform in downtown (the Sears Tower was built to accommodate basement-level access to the subway station), and Roosevelt. Through-routed Ravenswood-Englewood-Jackson Park trains were planned to use the new subway, as well as Evanston Express trains that would turn from south back to north at Roosevelt Road via a planned middle track. Lake Street trains would be left to use the Loop Elevated until the financial situation allowed work to begin in the Monroe Street Distributor.” (Chicago-L.org. 2017, August) Construction was planned to start in 1979 with completion in 1983.



BALANCE OF THE SYSTEM  
**CUTD Annual Report 1976**

Controversies over the project continued to evolve. In 1976 the Chicago Chapter of the American Institute of Architects proposed to rebuild the Loop L and added additional rail segments. Some of the new segments were proposed to run along the street and involved light rail with overhead electric propulsion and could operate in mixed traffic. (Doug Schroeder, AIA-Chicago, Personal Interview, December 15, 2015) Others maintained that the project did not have a good return on investment. In the meantime, plans for other highly desirable extensions of the CTA L to O'Hare and Midway airports were gaining traction. Also, during this period, a major planned interstate highway segment within the City, the Crosstown Expressway, was proposed. The Crosstown would have

intercepted traffic at 75th Street on the Dan Ryan Expressway, cut a swath across the south side to Midway Airport, then plow north up the Cicero Avenue corridor to the Kennedy Expressway. The plan was very controversial. Thousands of homes would have been condemned, and the highway's estimated cost was astronomical, placed at approximately \$2 billion. Prompted by controversial interstate highway projects throughout the nation, Congress had created the Intestate Transfer Program in the Federal Highway Administration. This program allowed the governor and local officials in a state to terminate and transfer the value of designated interstate segments to other transit and highway projects.

In 1977, Chicago Mayor Michael Bilandic and Governor James R. Thompson agreed to discard plans for the north leg of the Crosstown Expressway and split the funds. Two-thirds (\$300 million) would be awarded to the City for the Franklin Street Subway project, and one-third (\$153 million) to the State for suburban transportation projects. However, the City was not able to find the matching funds for its share. By the summer of 1979, new Chicago Mayor Jane Byrne and Governor Thompson agreed to rework the 1977 deal and eliminate both the Franklin Street Subway and the entire Crosstown Expressway projects.



Source: The Chicago Beachwood Reporter

By this time, the value of the Crosstown, which was indexed to a cost escalator, had risen to approximately \$1.9 billion. (Ultimately the value grew to over \$2.5 billion in 1982 when the escalator was eliminated.) The agreement split the funds on a 50/50 basis between the City, to be used mostly for transit projects, and the State, for suburban transportation projects, mostly highway. (Sources for the Crosstown Expressway deal: Addie, J.; Anonymous circa 1985 CTA Memo Schlickman Files<sup>5</sup>)

While Mayor Daley's 1968 grand subway plan was now dead, another Central Area transit improvement, the Riverbank Line, was still under development and listed to share in the City's Crosstown largess. Renowned architect Harry Weese championed the concept and convinced Mayor Byrne of its value. (Young, 1980; Weese, 1980) Weese conceived the line as a streetcar operation like services in San Diego, Calgary, and Edmonton. These cities spearheaded in North America the introduction of modern light rail operations in streets with mixed traffic. (Thompson, 2003) The Riverbank Line was proposed as light rail service running as a spur of the planned rapid transit line from downtown to Midway airport. As planned, the spur branched off at 22<sup>nd</sup> Street and followed existing rail rights of way and/or public streets north connecting with Chinatown, 12<sup>th</sup> Street, Union Station, Northwestern (now Ogilvie) Station, the Merchandise Mart, Pioneer Plaza, planned developments along Grand Avenue in Streeterville, and ending at Navy Pier. Weese advocated that the line would achieve some of the same transit connections as the defunct Daley subway plan, but for a much cheaper cost, roughly \$80 million.

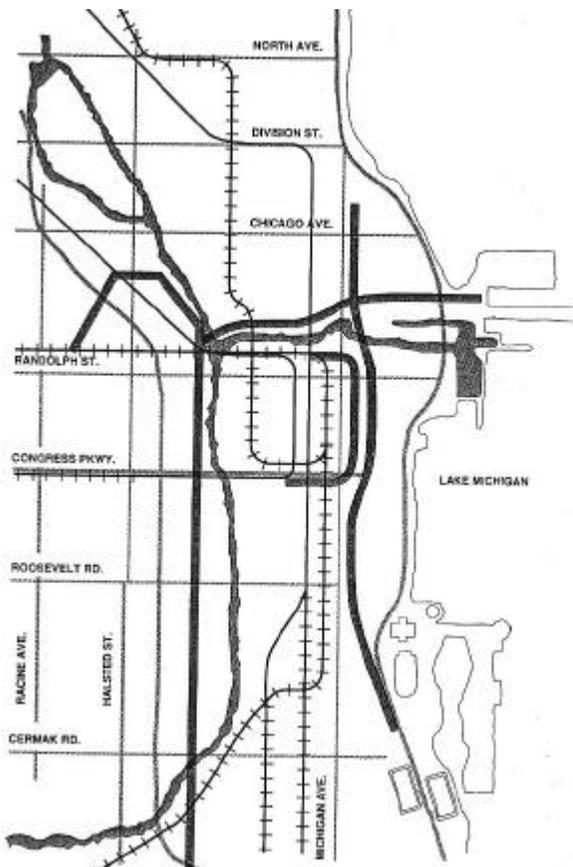
The Riverbank Line eventually fell off the list of Interstate Transfer funded projects. However, planners in the City Department of Public Works (DPW) continued to refine the concept and proposed that it run independently from Union Station to North Michigan Avenue. Bob Kunze, a former planner in DPW, had this recollection: "The demise of the CUTD started with the 1979 Crosstown, but it lingered into the early 80s. It still had money. Also, in the Interstate Transfer Program, there was a riverbank line. And one of the studied alignments for the Southwest Rapid Transit Project (now operating as the Orange Line) had it in part going along the Riverbank. In the early 80s, DPW did some preliminary studies that focused on the riverbank which then evolved into a downtown distribution study with a broader perspective on downtown circulation." (Robert Kunze, Personal Interview, December 8, 2015) The Chicago Downtown Distribution Study was completed in January of 1986 which provided information on the magnitude of both the distribution and circulation of trips in the Central Area. (U.S. Department of Transportation, 1994, p. 3-30) Kunze's recollection is, "It looked at mostly short-term solutions and some longer ones. The planners had to be careful how they talked about light rail and streetcars and their speed. Paul Karas, the Commissioner, wanted to keep options open. The study wrapped up in the mid-80s if not earlier. Interestingly, new subways were still in the possible mix. The City was still protecting rights of way

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<sup>5</sup> Stephen Schlickman, principal author of this paper, started his career working at the Chicago Transit Authority in 1980 where he had the responsibility for the next 8 years of leading CTA's efforts to obtain state and federal funding for the Authority including funds from the Crosstown trade-in deal. He draws on his knowledge of that era where appropriate.

for both Monroe and Franklin, though Monroe was more likely.” (Bob Kunze, Personal Interview, December 8, 2015)

While DPW planners were interested in moving forward on the Riverbank Line from Union Station to Navy Pier, and possibly even a terminus at North Michigan Avenue, other Central Area interests believed that mobility in the downtown should be addressed on a larger scale. In 1984 the Chicago Central Area Committee proposed a street operating light rail system on Monroe Street, along the riverbank (Union Station to Navy Pier) and the Lakefront (Streeterville to McCormick Place Convention Center). (Metropolitan Planning Council, 1988, p. 19)



The Chicago Central Area Committee Streetcar Alignments

Source: MPC, 1988

Similarly, the planners for the ill-fated 1992 World’s Fair also proposed a light rail system for the Central Area in 1985. (Metropolitan Planning Council, 1988, p. 20)

The Regional Transportation Authority's 1989 Strategic Plan, prepared by Booz Allen, identified various underserved transit markets. Two of the markets were the suburban communities and Chicago downtown distribution and circulation. It was acknowledged that the suburban market was challenging to serve, but there was more of an opportunity in the Central Area. It said, "The [Central Business District (CBD)] Circulator market consists of short trips which both begin and end in the downtown area. This market also represents only a small portion of total RTA annual ridership, about 1%, but has a relatively high market share of 50%. The CBD has been expanding rapidly in recent years and is not adequately served by the existing public mass transportation. ... The Challenge in the CBD Circulator market is to find ways to ensure that this market is adequately served by both existing and new service concepts to maintain and expand the market share. The important CBD-Oriented market will be affected by the RTA's ability to serve the CBD-Circulator market." (Regional Transportation Authority 1989, p. 10)

Before the RTA Strategic Plan was finalized, RTA participated in and funded in part<sup>6</sup> a Metropolitan Planning Council (MPC) study (Metropolitan Planning Council, 1988) to make a case for improved distribution and circulation in the Central Area. The MPC is a highly respected civic organization that in part specializes in urban transportation matters. The study effort included a steering committee of 20 members representing civic, business, academic, cultural, and retail institutions as well as the City of Chicago and the public transit agencies. The Advisory Committee to the study included 110 members, including the steering committee, additional stakeholders from the same sectors as well as state legislative leadership. The study was designed to be more inclusive than past studies.

In making a case for a "distributor" system, the MPC planners substantiated these conclusions:

- Chicago's downtown has outgrown its transit system
  - Chicago's expanding downtown meant more traffic, longer travel times, and greater costs
  - Continued growth in downtown depended on a central area transit distributor
- (Metropolitan Planning Council, 1988, p. 1-2)

While the study did specify that the distributor should be a rail system, it deemed that "Timing is critical.... Rights-of-way that could be used for rapid transit...will not be available forever." (Metropolitan Planning Council, 1988, p. 16) The term "rights-of-way" implies a rail system. The study also cited all the previous studies since 1970 that proposed Central Area rail improvements.

By December of 1989, the MPC issued a Final Report, "A Light Rail Transit System for Chicago's Central Area." It concluded that "Two decades of growth and \$10 billion in development in Chicago's downtown have created the need for a new transit system: a "circulator" that links the central city's

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<sup>6</sup> The project was also funded by the Chicago Development Council. MPC, A Light Rail System for Chicago's Central Area, Central Area Circulator Project Final Report, December 1989, p. 2.

far-flung activity centers. Such a system is needed to promote continued development of the peripheral areas of the downtown and to projected that mobility of the almost 900,000 people expected to work downtown in the year 2010. It would also provide new badly needed connections between the downtown business districts and the region's extensive transit system. The system would speed travel." (Metropolitan Planning Council, 1989, p. 1)

The Final Report recommended light-rail technology (LRT) to provide the improved transit distribution and circulation system. "[LRT] offers the best combination of speed, capacity and moderate capital and operating costs, and is well proven throughout the world." Subways were ruled out as too expensive and limited in benefits. An improved bus system would be slower, have less capacity and a higher operating cost, and would contribute to congestion. An Automated Guideway Transit<sup>7</sup> system, which requires elevated structures was deemed incompatible with the downtown's dense urban development. (Metropolitan Planning Council, 1989, p. 3)

The financing plan recommended by the Final Report was for "...a shared program one-third from downtown interests, one third from the federal government, and one-third from the state." The downtown share would come from property tax through creation of Special Service Area. (Metropolitan Planning Council, 1989, p. 5)

Richard M. Daley was elected to his first term as Mayor of Chicago in the spring of 1989. Before the MPC issued its final report, the expected conclusions and recommendations were given to the Mayor's office in a memo from MPC consultant Joanne Schroeder to Daley's Chief of Policy, Frank Kruesi. Schroeder had obtained Illinois Secretary of Transportation Kirk Brown's support for the shared one-thirds funding scheme. (Joanne Schroeder, Personal Interview, December 15, 2015)

### **Part 3 The City of Chicago Central Area Circulator Project 1989-1995<sup>8</sup>**

#### The City of Chicago Sponsors the Circulator Project

In 1989 City Planning Commissioner, David Mosena brought the MPC recommendation to the attention of the recently elected Mayor Richard M. Daley. He was impressed with the light rail and

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<sup>7</sup> Automated Guideway Transit (AGT) is a class of transportation systems in which unmanned vehicles are operated on fixed guideways along an exclusive right of way. <https://www.princeton.edu/~ota/disk3/1975/7503/750303.PDF>

<sup>8</sup> This section of the paper was written solely by paper author Stephen Schlickman, who was the executive director of the Circulator project from the beginning of 1991 through the end of the project in the fall of 1995. Much of what is presented is based on Schlickman's lecture on the Circulator that he has annually given since 1999 to his University of Illinois at Chicago graduate level class on the funding and funding of transportation projects. The lecture utilizes a community relations "flip book" that provides a Circulator Project summary, last updated in 1995. The summary used the project's Final Environmental Impact Statement for authority (USDOT, 1994). Pages from the summary are presented to illustrate Schlickman's recollections of the project.

funding approach and soon adopted the Central Area Circulator Project as one of his primary transportation infrastructure projects. (David Mosena, Personal Interview, May 10, 2016) The following is an account of a project that was well planned and designed except for one very dire service alignment decision process that led to its demise.

The overall purpose of the project was to substantially improve the distribution and circulation of people in the Central Area of the City of Chicago, then one of the most successful and economically vibrant urban business districts in the nation. Major credit for this success was attributed to the comprehensive bus, rapid rail and commuter rail systems that focused on delivering people to downtown. While the Central Area is well served by a radiating system of interstates, allowing commuter auto access, that system is virtually at capacity during the weekday peak hours. Without a comprehensive transit network to complement the interstate network, the Central Area would not have realized the growth anticipated during the second half of the 20<sup>th</sup> century. (CCACP, 1995, pp. 2-3)

The weakness of the transit system in serving the Central Area is that it primarily focused on delivering people to the historic one square mile "Loop" commercial district. When the commuter rail and rapid rail systems were first developed, it was natural to cluster the commuter rail terminals on the fringe of Loop and to create numerous rapid rail stations within the district. However, during the last half of the 20<sup>th</sup> Century, the growth of the Central Area expanded it to a six-square-mile area extending to North Avenue on the north, Halsted Street on the west, and to McCormick Place on Cermak Avenue in the south. (CCACP, 1995, p. 4)

Both the Metropolitan Planning Council's study and Circulator Project identified the Central Area's growing traffic congestion and how that would choke future economic growth. Reaching destinations by foot beyond one-half mile was impractical. (Metropolitan Planning Council, 1989, pp. 6, 11. USDOT, 1994, p. S-4) The only option to access via transit the far reaches of the greater Central Area for people entering the district was through the CTA bus system. It was not an attractive option. It involved a network maze of 45 bus routes that defied pedestrian logic. A commuter might know the one bus route needed to complete his/her trip but was daunted to figure out how to use the system for any other trip purpose. Furthermore, even if one did use the system, the buses contributed to, and were slowed down by, the Central Area traffic congestion, making it slow and unreliable service. (CCACP, 1995, p. 6)

### The Circulator Project Goals and Plan to the Meet the Goals

The Circulator had three goals (CCACP, 1995, p. 7):

1. Meet Central Area transportation needs and strengthen links with City neighborhoods and the regional transportation transit lines

2. Protect and enhance the Central Area's physical and social environment
3. Support and stimulate Central Area economic development

To meet the transportation goals of the project, the federally prescribed Alternative's Analysis (US DOT, 1994) determined that the best transit mode for distribution and circulation would be on-street light rail technology (LRT) service. The service was designed to be user-friendly, accessible and reliable. It would utilize the latest LRT technology, including low-floor curb level for quicker boarding and alighting and to be fully accessible to people with mobility disabilities. It would utilize the standard adopted by light rail systems throughout world and the U.S.: pre-boarding payment at station ticket machines, enforced by periodic ticket checks by roving transit agents. This allowed for a barrier-free system to enhance the station area environment and avoid the delays of on-board payment as used on the bus system. Furthermore, LRT vehicle technology involves electric overhead wire propulsion, which provides sleek, quiet, and emission-free vehicle movement. (CCACP, 1995, p. 8)

While the light rail service design called for the LRT tracks to be embedded in existing street lanes, a curb, mountable by emergency vehicles, would separate the LRT lanes from other traffic, allowing full vehicle access to all streets. The traffic lights at intersections would be interconnected with the LRT system and adjust to give the trains a green light preemption. Parallel traffic would receive the same benefit. Thus, the LRT service would be much faster and more reliable than existing bus service. (CCACP, 1995, p. 9)

The trains would be configured as two car consists and dramatically expand transit carrying capacity over an improved bus system (428,000 place mile vs. 179,000 place miles). (USDOT, 1994, p. 6-33) The trains would operate during the peak hours at 6-minute intervals (headways). (USDOT, 1995, p. 2-30) This would allow for the reconfiguration and downsize of the CTA Central Area bus operation and eliminate 1,210 bus miles of travel that contribute to downtown traffic congestion. (USDOT, 1995, p. S-14)

To further protect and enhance the Central Area's physical and social environment, the Circulator design included a complete upgrade to the streetscape to enhance the pedestrian experience. (CCACP, 1995, p. 10)

To support economic growth and development, the Circulator was designed to stimulate retail sales, support office and residential development, connect to cultural and recreational attractions and promote convention and tourism. This was reflected in the Circulator's corridors of service and final alignment. (CCACP, 1995, pp. 11-13)

During the planning phase of the project, many Central Area corridors of travel were identified. The four highest demand corridors for circulation and distribution trips were chosen for the LRT system (CCACP, 1995, p. 12):

1. By far the highest demand corridor was from the westside commuter trains stations, across the center of the Loop to the New Eastside development district. It connected with all the Loop CTA rail lines and Metra's Randolph Street (now Millennium) Station.
2. Also of great demand was from the west side commuter rail stations to North Michigan Avenue.
3. West side commuter rail stations to destinations along the Chicago River in River North and in Streeterville all the way to Navy Pier.
4. Up and down the Lakefront from North Michigan Avenue to McCormick place.

Within these corridors specific streets needed to be selected on which to place the LRT alignment and route plan, including a vehicle yard and a maintenance facility. During the planning phase of the project, this became the most challenging task. While there was broad support for the Circulator, there were serious concerns by property owners as to the effects of the system operating on their street. To address these concerns, the project invested heavily in a comprehensive outreach and community relations process. The process required a delay of at least one year in the project schedule to ensure the best balance between a successful operating plan and addressing the concerns of neighborhoods and property owners. In the end, this delay would prove to be fatal to the project. This will be discussed in more detail below.

The final alignment is depicted below:



The Blue Line serves trips back and forth across the Loop and to Navy Pier. The Yellow Line also serves back and forth across the Loop and to the North Michigan Avenue retail district. The Orange Line serves River North's development along the river and out to Navy Pier during the peak hours and to North Michigan Avenue during the midday. Finally, the Red Line serves the Lakefront corridor and connecting Navy Pier and McCormick Place convention venues, the State Street retail district and major hotels serving the convention and tourism industry.

### The Circulator Project Financial Capital and Operating Plans

A unique feature of the Circulator Project was its financial plan, which had been recommended by the MPC study. The project's total capital cost was to be funded one-third by Federal funding, one-third by local City of Chicago tax revenue, and one-third by State of Illinois grants. (CCACP, 1995, p. 14) The Federal funding was to be sought from the Federal Transit Administration's (FTA) New Starts Program, which funded new transit fixed guideway systems or extension of existing systems. The federal program had a minimum 20% state or local match requirement. The Circulator was pledging a 66 2/3% match to make it more competitive against other projects competing for the same federal funding. While the FTA encouraged matches of greater than 20%, no New Start project in the country had ever come close to offering 66 2/3%.

The local funding was to be provided through a property tax levied through the establishment of a Special Service Area (SSA) by the City. The tax applied only on commercial property.<sup>9</sup> The SSA boundaries were set to include all the commercial property that primarily would benefit from the Circulator service. As indicated by the dotted black line in the route map above, the SSA covered virtually the entire six square miles of the Central Area, where all the commercial property to be taxed was adjacent to or within reasonable walking distance of the Circulator routes.

At the end of 1994, Illinois Governor Jim Edgar signed a letter of commitment that the State of Illinois would fund one-third of the Circulator capital budget.

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<sup>9</sup> Taxing only commercial property in an SSA for the Circulator project raised many legal issues, the principle being equal protection and due process violations under the US and Illinois constitution. Thus, a commercial property owner sought judicial relief from the tax. The case went all the way up to the Illinois Supreme Court. The court ruled in part, "As we noted earlier, there is sufficient evidence to support the city council's finding that commercial property will be disproportionately benefitted by the circulator. Furthermore, there is no evidence that significant amounts of residential property within the perimeter will be taxed or that significant amounts of commercial property within the perimeter will escape taxation because of difficulties with multiple classifications. Therefore, we conclude that the ordinances do not violate equal protection or due process." Other statutory and constitutional objections were also thrown out, though one minor procedural objection was affirmed. *Grais v. City of Chicago* 601 N.E.2d 745 (1992); 151 Ill. 2d 197; 176 Ill. Dec. 47

The New Starts program had a rigorous project evaluation process with many criteria about project justification and adequacy of the project financial plan. At that time, the FTA gave the highest priority to a project's cost-effectiveness based on the cost per new transit trip projected to be generated by the new service once it was operational. As determined by the federal procedure, rigorously overseen by FTA officials, the Circulator scored quite well under that criteria, posting a \$9.00 cost per new transit trip, exceeding the national average of all New Starts projects currently funded by the program. The project also calculated that the project would produce \$5 of benefit for every \$1 of project investment.

**The Circulator: Cost Effective Transit**

SOURCE	ESTIMATED \$775 MILLION BUDGET		
	FEDERAL	LOCAL	STATE
<b>% Share</b>	<b>1/3</b>	<b>1/3</b>	<b>1/3</b>
<b>\$ Share</b>	<b>\$258</b>	<b>\$258</b>	<b>\$258</b>
<b>Cost Effectiveness Index</b>	<b>\$9.00 / New Transit Trip</b> (National Average - \$9.87)		
<b>Investment / Benefit Ratio</b>	<b>1:5</b>		

**Chicago Central Area Circulator Project**

Source: (CCACP, 1995, p. 14)

The financial operating plan for the Circulator is listed in the following table. The base fare of \$1.00 was cheaper than the CTA fare of \$1.50 in 1994. The 30-cent transfer was the same as the CTA transfer charge. The projected Circulator farebox recovery ratio was 62% in the year 2000 growing to 71% in the year 2010, which are, based on the author's memory, much better than what CTA has a whole was experiencing in 1994. The projected net positive income for Metra was based on increased ridership induced by better downtown connections for Metra riders. The net positive income for the CTA was based on impact of the reduction of CTA bus service<sup>10</sup> needed to serve the Central Area.

<sup>10</sup> CTA bus operating cost exceeded passenger revenue. Reducing the cost created the net positive income.

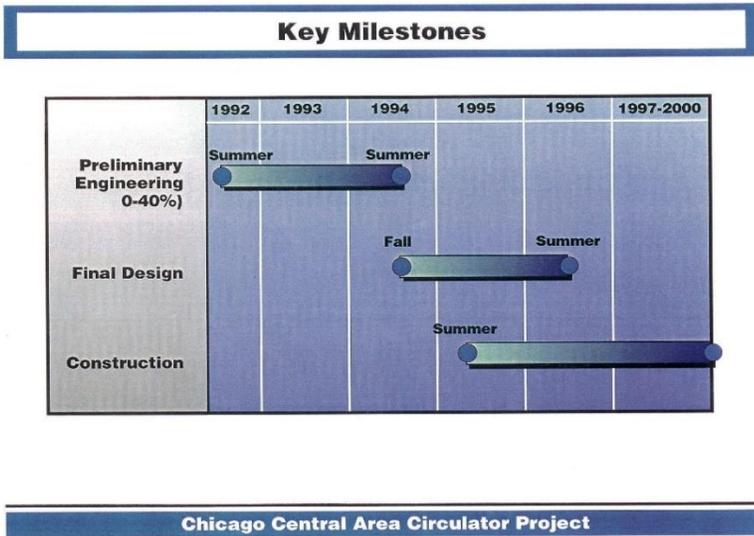
**Operating Plan for LRT Alternative**  
(1993 Dollars)

<b>Fare Rate Assumptions</b>	<b>Base Fare</b> \$ 1.00	<b>Discount Fares:</b>	
	<b>Transfer Fee</b> .30	<b>10-Ride Ticket</b> \$ 9.00	<b>Circulator Only Monthly Pass</b> 36.00
		<b>Metra Monthly Transfer Pass</b> 30.00	<b>CTA Monthly Transfer Pass</b> 15.00

	YEAR 2000	YEAR 2010
<b>LRT Only</b>		
Revenue	\$ 13,000,000	\$ 15,200,000
Expenses	21,064,000	21,491,000
Net Deficit	(\$ 8,064,000)	(\$ 6,291,000)
<b>Metra / CTA</b>		
Metra Net Income	\$ 2,200,000	\$ 3,100,000
CTA Net Income	1,400,000	1,300,000
Net Gain	\$ 3,600,000	\$ 4,400,000
<b>Fare Box Recovery</b>	62%	71%

Source: CCACP, 1995, p. 15

By 1995, Circulator Project was on track to meet the following timetable.



Source: CCACP, 1995, p. 16

Preliminary engineering and the Final Environmental Impact Statement were completed in 1994. The federal full funding grant agreement was awarded to the project by the end of that year.

Through to the Spring of 1995, funding appropriations had been made to the project of \$115 million Federal, \$20 million State, and \$78 million local for a total of \$213 million. (GAO, 1995) At that time, the project was ready to move to construction in the Summer of 1995.<sup>11</sup> Instead, the Project came to sudden halt.

### Factors Leading to the Circulator Project Termination

By the beginning of 1995, the Circulator Project had a lot going in its favor. Its unique capital funding scheme of one-third Federal, one-third State, and one-third City of Chicago funding sources was supported by appropriation actions by all three local, state and federal legislative entities. In fact, during the period from 1991 to end of 1994, the Project had secured more funding on an annual basis than it needed in those years. (GAO, 1995) Both the Illinois Department of Transportation (Its Time for the Governor, December 1994) and the Federal Transit Administration signed off on its design and operating plan. The project had strong news media editorial support. (CCACP, 1995, p. 17; Edgar Must Keep, 1994; Its Time for the Governor, July 1994) The Chicago Civic Federation, a local civic watchdog of government finance, endorsed the project. (CCACP, 1995, p. 17) Finally, through one of the most open and comprehensive public processes achieved by the Daley Administration up to 1995, the Project generated widespread support and overcame local neighborhood opposition to finalize the route alignments. However, that alignment resolution effort came at a high cost

The Circulator Project faced many challenges that threatened its LRT plan. Among them was internal mayoral office staff opposition, which voiced concerns about construction disruption, future operating deficits, and possible capital cost overruns such large projects tend to experience. One prominent mayoral advisor advocated for the cheaper bus improvement alternative. Externally, most of the opposition to the project came from negative perceptions of the impact the Circulator would have for buildings and neighborhoods along the specific street alignments. Circulator staff worked closely with the concerned property owners to alleviate these concerns.

In the 1990s, the first phase of a federally funded transit fixed guideway project was the alternative analysis. For the Circulator, this meant, in part, settling on a specific LRT street alignment and comparing the proposal to alternative bus improvement options. The preferred alternative chosen was LRT service for the corridors of Central Area travel as previously discussed. Additionally, specific service street alignments had to be selected to determine and resolve impacts for the next

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<sup>11</sup> The author recalls that the project had already induced a construction investment before 1995. The City of Chicago was reconstructing the Madison Street bridge over the Chicago River. The Circulator planned to use the bridge for its Blue and Yellow lines. The project leadership asked the Chicago Department of Public Works, the sponsor of bridge project, to make structural modifications to the bridge design to support the weight of the LRT vehicles and tracks. The Circulator bore the expense of the construction drawings, and DPW added the additional structural steel to the bridge at no cost to that project.

federally mandated project phase, the environmental impact analysis. None of the alignment decisions were easy to make, and a few were particularly challenging.

For example, the North River Bank alignment options were Carroll Avenue, which ran below the buildings adjacent to the river, or Kinzie Street just north running at normal street level. Carroll Avenue required a very challenging – if not impossible – bridge crossing of the Chicago River North Branch and safety concerns due to sightlines and numerous traffic conflicts that would slow the LRT operation. A Kinsey Street alignment involved a bridge crossing that was easier to resolve and offered better transit market visibility. The Kinsey alignment was chosen. (USDOT, 1994, p. 2-28)

Another example was the lakefront corridor. McCormick Place Convention advocates preferred service running along the commuter railroad cut in Grant Park east of Michigan Avenue, claiming it provided the quickest and most reliable connection for conventioners traveling between McCormick Place and the far North Michigan Avenue concentrations of hotels. The Loop State Street retail merchants were unanimously in favor of the service being on their famous travel way. State Street was chosen because the convention traffic is episodic in its intensity, while State Street offered a more diverse and regular transit market to serve. (USDOT, 1994, p. 2-29)

These decisions did not generate significant project opposition. The joint cross-Loop Blue and Yellow Lines alignment was more problematic. There Madison Street was chosen. (USDOT, 1994, p. 2-29)

On Madison, the Circulator plan took the north parking lane and a westbound travel lane for bidirectional east/west LRT operation. That left two westbound travel lanes for other traffic. Many major commercial office building owners were very open about the negative impact they expected on auto access to their buildings. The project team was advised by their Central Area business supporters that "auto" in this context meant taxi and limousine service. Commercial building owners consider such access as priority factors in attracting building tenants. Much time was spent by the Circulator executive director and community relations team in addressing these concerns through traffic analysis and presenting contrary experience of downtown LRT service in other US cities. Interestingly, the fact that the Circulator service itself was improving access to their buildings did not seem to impress the owners who were more concerned about tenant leadership, such as the company CEO, who were not likely to use transit and preferred door-to-door taxi or limo options. As with all alignment decisions, Mayor Daley was briefed, and his concurrence was sought. Despite continuing opposition from prominent building owners, Daley supported using Madison. Efforts to resolve commercial office building owners' concerns, did not, however, cause significant project delay. Deadly delay came from resolving the LRT alignment for the North Michigan Avenue corridor.

### The Project's Achilles Heel: The North Michigan Avenue Corridor Alignment

Very early in the alignment planning effort, it was accepted by the project team that North Michigan Avenue was not an option. The North Michigan Avenue Association wanted service in its market area but strongly believed that an LRT operation on the Avenue itself would seriously disrupt the delicate balance of the existing urban design, street traffic and pedestrian travel that made it work so well for the retail market. During the alternative analysis phase, the project chose to put the alignment on North Fairbanks Court, utilizing the existing Columbus Avenue bridge, north to Chicago Avenue and Pearson Street. Fairbanks ran through the heart of the Streeterville neighborhood and generated total opposition from the resident association, the Streeterville Organization of Active Residents (SOAR). In this situation, the project wasn't dealing with business owners, but rather full-time resident voters. Their alderman, Burt Natarus, was entirely on the side of the association.

Many months of discussion with SOAR and the Natarus staff caused the project to move the alignment north on St. Clair Street, west on Superior Street, and then north again on Rush Street, terminating just past Oak Street. This alignment was closer to the Michigan Avenue market, being one block adjacent to the east versus Fairbanks, which was three blocks removed.

With a new alignment came new opposition. Leaders at Northwestern University Hospital argued that the project would seriously compromise their billion-dollar development plans. Inexplicably, the Loyola University President opposed it even though the alignment provided the school a direct transit connection that would feed students and staff from the West Loop and Randolph commuter rail stations. One very popular restaurant claimed that it would destroy its business. Thus, other alignments were explored.

Finally, after more than a yearlong effort, the project, with the Alderman's support, chose Wabash Avenue as the final alignment. The advantage of Wabash was that it could be directly accessed from the Loop avoiding the indirect Columbus Avenue route. It was only two blocks west of Michigan Avenue and did not cause any significant local opposition. (USDOT, 1994, p. 2-30)

The major downside of the North Michigan Avenue alignment controversy was that it seriously delayed the completion of the environmental process by up to a year. Had the project chosen Wabash to begin with, the Final Environmental Impact Statement would have been finished by the end of 1993, allowing for construction to proceed by the end of 1994, if not sooner. Why was this deadly?

### The Project's Fatal Bullet: The 1994 Republican Revolution

The national and Illinois State elections in November of 1994 changed the control of Congress and the State of Illinois legislature from Democrat to Republican, which eventually undermined Chicago's ability to confidently access the federal and state funding for the Circulator Project.

Before 1995, Mayor Daley had great support for his legislative initiatives from a Democratically controlled Congress and Illinois General Assembly. This was evidenced in part by the federal and state appropriations that were provided to the project. As documented by the 1995 GAO report on the Circulator (GAO, 1995), from 1992 to 1995, the project had accumulated appropriations of \$115 million from Congress and \$20 million from the State legislature, even though it had expenditures up until the spring of 1995 of only \$47 million. Thus, the City had every expectation that federal and state funding for two-thirds of the project would be forthcoming. The leaders of the new Republican majorities did not sustain that confidence.

The first indication of a softening of support came from Congress. During the 1980s through to 2011, the House and Senate Appropriation Committees earmarked<sup>12</sup> the transit New Starts and many other discretionary transportation funding programs. The earmarking decisions were primarily left to the House and Senate Appropriations Subcommittees on Transportation. The chairman of these subcommittees had almost total discretion over the level of the earmarks. When the Republican majority came to office in 1995, Republican Frank Wolf of Northern Virginia was appointed as the new chairman of the House Appropriation Subcommittee on Transportation. Any project that wished to obtain an earmark had to ensure that the subcommittee staff was fully briefed on its funding needs. In the first meeting between the Circulator staff and subcommittee staff, the staff expressed skepticism about the need for federal funding and, more fundamentally, about the need for the project. This was perplexing given that the project originated and sought and obtained federal funding during the term (1989 to 1993) of the Republican President George Bush Administration. Federal Transit Administration (FTA) staff overseeing that project's evaluation under the strict New Starts evaluation process during time had never challenged the need for the project. The same staff managed the project's evaluation process during the Democrat President Bill Clinton Administration which came to office in January of 1993. The project's Final Environmental Impact Statement, which described the project's justification, was approved by FTA in 1994. Furthermore, as previously noted, Republican Illinois Governor Jim Edgar made the State one third capital funding commitment in December of 1994, backed by the Illinois Department of Transportation's (IDOT) own project review. What was the source of the subcommittee's staff skepticism? This was never clearly apparent to the Circulator leadership. Regardless, state legislative action in Springfield gave the congressional staff new cause to oppose the project.

Up until 1995, the Circulator project had received four annual state legislative appropriations of \$5 million each year. This was not surprising given that the Democrats, favorable to Chicago's Democratic Mayor, controlled the state legislature. However, for FY 1996, Republican Governor Edgar recommended another \$5 million to the new Republican majority in the House. The funding

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<sup>12</sup> Congress banned earmarks in 2011

was initially included in the House appropriation bill. However, a political controversy independent of the Circulator irrupted.

Without going into too much detail, the controversy arose out of a desire among Chicago suburban Republican legislators to assert more state authority over the autonomous control by the City of Chicago of its Chicago commercial airports, O'Hare, Midway and Meigs Field. To preempt any interference with that authority by the newly Republican state legislature, on April 15, 1995, the City entered an interstate compact with Gary, Indiana to share governing jurisdiction over Chicago's and Gary's airports. The state was legally preempted to pass laws that would interfere with that compact. The Republicans in the Illinois legislature were furious. One week later, the Circulator appropriation was struck from the House bill. Within days, the Congressional appropriation staff were on the phone to the Circulator Executive Director, this author, inquiring about the loss of state funding.

The Circulator, with support of Illinois Democratic Congressman Dick Durbin, a member of the House Appropriations Transportation Subcommittee, had requested \$10 million for an FY 1996 earmark. Chairman Wolf denied it and provided no funding in the House appropriation bill. The Circulator did not need \$10 million<sup>13</sup> and supported the subsequent Senate action to earmark \$5 million for the project. Senate appropriators did not have the same antipathy toward the project as held by House appropriation staff. It would have been an unnecessary political insult to the two Illinois Democratic Senators to have zeroed out funding completely.

Congressman Durbin recommended that the Mayor have a personal meeting with Chairman Wolf. The Mayor needed some sign of good faith from Wolf that would give the Mayor confidence that Congress would adhere to its one-third funding commitment. He had a meeting with Wolf, personally witnessed by this author. The Mayor asked Wolf to accept a plan to split the difference between the House and Senate numbers and give the Circulator \$2.5 million. Wolf said that he could not do that but encouraged the Mayor to make a request again in 1996. This was dumbfounding to the Mayor. He wasn't asking for much in the scheme of the total New Starts appropriation of over \$400 million. He eventually concluded that he could not rely on both the Republican-controlled Congress and Illinois legislature to fund the federal and state one-third shares. The City could not afford to fund the Circulator on its own, so the Mayor chose to terminate the project. Unused federal and state grants were forfeited, and the revenue collected by the SSA property tax was returned to the property owners. The project was closed by the end of 1995.

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<sup>13</sup> The earmarking process at that time was greatly influenced by a project's legislative support. Prior to 1995, the Circulator's strength was in the House, where Illinois Congressman Dick Durbin was on the Appropriation Transportation Subcommittee. It was expected that the Senate would provide a lesser amount where Illinois had no membership in that chamber's Appropriation Committee. It was imperative for the Circulator to get the highest earmark it could in the House knowing that it would likely get a lesser amount coming out of the conference committee to resolve the Senate and House's differing numbers. Even if that number might exceed the project's need for the coming year, it was every project's strategy to bank money appropriated while in a position of strength knowing that could change in future years.

### Main Lesson Learned from the Circulator Project

The main lesson learned from the Circulator Project was that trying to serve all the primary corridors of travel in the Central Area was more than the project could achieve without jeopardizing the whole project. The alignment decision process and the community involvement strategy, though necessary, was overly time-consuming and delayed the resolution of the Final Environmental Impact statement by one year, mostly to resolve the North Michigan Avenue Corridor approach. The process was made increasingly difficult by the misperceptions of alignment property owners, specifically related to what they viewed as harmful effects the LRT operations would have on their homes and commercial buildings. This author concludes that such perceptions would have been best resolved by introducing LRT street service incrementally. A good first increment was Harry Weese's original recommendation along the riverbanks of the south and main branches of the Chicago River. Relative to the broad "serve everyone" approach of the Circulator Project, such a riverbank alignment could have started construction well before the 1994/95 political implosion. Once in operation, this first segment could have demonstrated how LRT street operations can enhance the urban environment, such as through the Circulator urban design plan, and add economic value directly to adjacent properties. Subsequently, additional segments could have been introduced with much less rancor over which streets would be used for the alignments.

### Conclusion

This paper summarizes the history of the evolution of public transit serving the Chicago's Central Area from the 1850s to 1990s. It particularly focuses on the failed joint private and public efforts to reconfigure the Central Area CTA rail system in the Central Area. In detail, the paper explains the origin, the major investment in the planning and design, and the political sea-change that led to the demise of the Central Area Circulator Project, the last grand plan to improve downtown transit. In 2015 the City of Chicago Department of Transportation in coordination with the CTA implemented the Loop Link, a bus rapid transit investment to speed the operation of a seven neighborhood bus lines that traverse the Central Area.<sup>14</sup> It was beyond the resources of this paper to analyze this investment. It appears to be a transit improvement in the right direction but falls far short of the past well-documented need for comprehensive plans to improve Central Area public transit distribution and circulation. The district has grown in population and development well beyond what previous

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<sup>14</sup> CDOT Loop Link Webpage: <http://www.transitchicago.com/looplink/>; CTA Loop Link webpage: [https://www.cityofchicago.org/city/en/depts/cdot/supp\\_info/central\\_loop\\_busrapidtransit.html](https://www.cityofchicago.org/city/en/depts/cdot/supp_info/central_loop_busrapidtransit.html); Chicago Tribune story regarding the Loop Link service launch: <http://www.chicagotribune.com/news/ct-loop-link-bus-stations-launch-met-20151221-story.html>

20<sup>th</sup> Century planners predicted. Hopefully, the experience of the Loop Link will lead to a Central Area transportation plan that heeds the lessons from past failures. The plan should incorporate adjustments for the impact of new transportation services – ride-hailing, protected bike lanes, Divvy bike sharing and the eventual introduction of connected and autonomous vehicles- and lead to a well-balanced and efficient transportation system the Central Area needs to maximize its current and future population and economic growth.

### **Acknowledgements**

This research was managed by the Urban Transportation Center at the University of Illinois at Chicago and funded through the National University Rail Center (NURai) and the Illinois Department of Transportation’s Metropolitan Transportation Support Initiative (METSI) program. The views within this document are those of the authors alone.

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<sup>15</sup> Stephen Schlickman, principle author of this paper, started his career working at the Chicago Transit Authority in 1980 where he had the responsibility for the next 8 years of leading CTA's efforts to obtain state and federal funding for the Authority including through the Crosstown trade-in deal. He draws on his personal knowledge of that era where appropriate.

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